

# U.S. Department of Veterans Affairs



# VA Home Loan Basics – Introduction To The VA Loan Program





## Cleveland Regional Loan Center (RLC) – Points of Contact

### Cleveland RLC Telephone Numbers:

(800) 729-5772, option 4 – Loan Production

(800) 729-5772, option 2 – Appraisals

### Cleveland RLC E-mail Addresses:

vahomesite@va.gov - Loan Production

325cnv@vba.va.gov - Appraisals

### Websites:

[www.vba.va.gov/cleveland-rlc.htm](http://www.vba.va.gov/cleveland-rlc.htm) - Cleveland RLC

<http://www.benefits.va.gov/homeloans/> - National



## Welcome to the Loan Guaranty Home Loan Program



### Home Loan Information, News, Announcements, FAQ's and Circulars

**NEW 5/2/2011** - If you have been affected by the natural disasters in Alabama, Arkansas, Georgia, Mississippi, and Tennessee, please review VA's information on [Natural Disaster Assistance](#). If you have any questions, please contact your nearest VA Regional Loan Center toll-free at (877) 827-3702. For additional information regarding the recent tornado outbreaks, please view our [circular](#). For more news and announcements, click on [this link](#).

**2/4/2011 - Trouble making your payments?** If you have a VA loan, but are having trouble making your mortgage payments, it is very

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### Connect with VA!

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### Forms and Publications



# VA Forms and Certifications

Lenders can download and  
print VA forms at:

<http://www.va.gov/vaforms/>

# UNITED STATES DEPARTMENT OF VETERANS AFFAIRS

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<a href="#">10-0094c</a>	Medical Education Affiliation Agreement - Graduate Medical Education (FILLABLE)	11/19/2004		6
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<a href="#">10-0094e</a>	Medical Education Affiliation Agreement - VA Sponsor - Dentistry (FILLABLE)	11/19/2004		6
<a href="#">10-0094f</a>	Dental Education Affiliation Agreement (FILLABLE)	11/19/2004		5
<a href="#">10-0094g</a>	Associated Health Education Affiliation Agreement (FILLABLE)	11/19/2004		4
<a href="#">10-0094h</a>	Education Affiliation Agreement - Non-VA Health Care Facility (FILLABLE)	11/19/2004		4

Local intranet

100%



# ListServe Automatic VA E-mail Updates

Lenders can obtain automatic updates regarding changes to the VA home loan program by signing up for this feature at:

[http://mailman.listserve.com/listmanager/listinfo/  
cleveland\\_regional\\_loan\\_center](http://mailman.listserve.com/listmanager/listinfo/cleveland_regional_loan_center)



# VA Lenders Handbook

VA Pamphlet 26-7, Lenders Handbook  
can be downloaded at:

[http://www.benefits.va.gov/warms/pam26\\_7.asp](http://www.benefits.va.gov/warms/pam26_7.asp)

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## Web Automated Reference Material System (WARMS)

### Lenders Handbook - VA Pamphlet 26-7

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### Changes

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# VA Regional Loan Centers

- Atlanta, GA
- Cleveland, OH
- Denver, CO
- Houston, TX
- Phoenix, AZ
- Roanoke, VA
- St. Paul, MN
- St. Petersburg, FL
  
- Honolulu, HI – Regional Office



# VA Regional Loan Centers





# Cleveland VA Regional Loan Center

- Connecticut
- Delaware
- Indiana
- Maine
- Massachusetts
- Michigan
- New Hampshire
- New Jersey
- New York
- Pennsylvania
- Ohio
- Rhode Island
- Vermont
- The Cleveland RLC took over all operations from the Manchester RLC effective April 1, 2011
- Cleveland RLC now represents approximately 11% of all VA loan volume nationwide
- Cleveland RLC FY 2010 volume = 35,694 loans totaling \$6.7 billion
- Nationwide FY 2010 volume = 313,988 loans totaling \$65 billion



# Primary Benefits of a VA Home Loan

- 100% financing up to the Federal Housing Finance Agency (FHFA) annual conforming loan limits, as adjusted by county
- 100% cash-out refinance up to FHFA's conforming loan limits
- Streamline VA to VA Interest Rate Reduction Refinance Loans (IRRRL's)
- VA requires no bottom line credit score
- Fully assumable by any qualified person (does not have to be a veteran)
- No monthly mortgage insurance premiums
- VA funding fee can be added to 100% financing
- No pre-payment penalty
- Fixed and adjustable rate mortgages
- Seller can assist with standard closing costs
- Energy efficient improvements can be added to 100% financing on any VA loan product



# Where To Market VA Home Loan Product

- Local real estate publications (Harmon Homes, Realtor books, real estate section of newspaper, etc.)
- Veteran military bases
- Veteran organizations (VFW, American Legion, Marines Corps League, etc.)
- Veteran's friends and family referrals
- VA has never provided mailing lists of veterans to anyone
- Bottom line: you may have to spend money to make money





## How Does The VA Guaranty Work?

- Guaranty is not down payment assistance
- Guaranty is not closing cost assistance
- No money is given to the veteran
- It is a financial commitment to pay a mortgage servicer a certain sum of money if the veteran defaults on the VA loan
- In most cases the VA will pay the servicer 2 checks once the property has been liquidated:

The net appraised value of the home  
(thereby taking back the property as an REO)

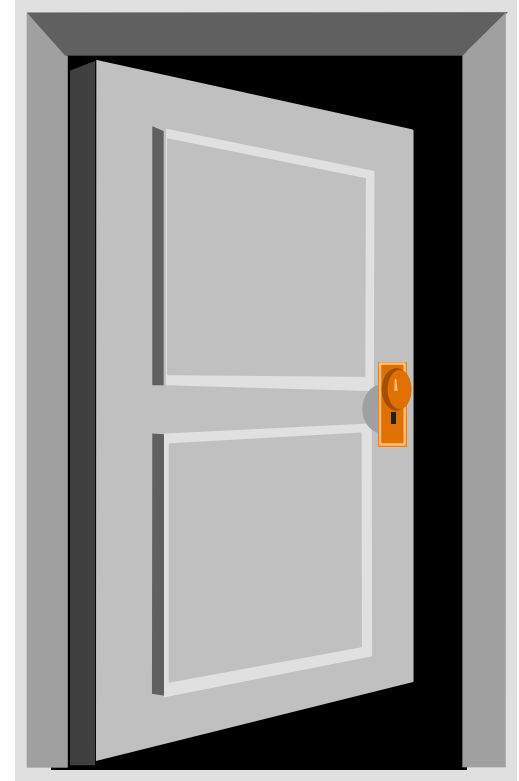
+

The maximum guaranty amount



# Occupancy

- Veteran must certify that they intend to occupy the home as their principal residence
- Occupancy must be within 60 days of the closing date
- If individual is not married and is on active duty, they must occupy within 12 months
- Spouse can usually satisfy occupancy
- Intermittent occupancy by single veterans is typically not acceptable
- Family members, friends and relatives cannot satisfy occupancy on behalf of the veteran





# VA Entitlement

- Every veteran initially receives sufficient entitlement to adequately cover the guaranty up to FHFA's conforming loan limits
- Entitlement is broken down into 2 parts:

**Basic entitlement:** covering the first \$144,000 of the VA loan amount

+

**Bonus entitlement:** covering the remaining loan amount from \$144,001 up to FHFA's conforming loan limit



# VA Entitlement

- Effective October 1, 2008 VA passed legislation that will result in VA maximum loan amounts being adjusted annually as set by FHFA
- Assuming the veteran has sufficient entitlement, the VA guaranty will provide at least a 25% guaranty up to the FHFA conforming loan limit
- FHFA standard conforming loan limit for 2011 = \$417,000 (most counties across USA)
- FHFA maximum conforming loan limit for 2011 = \$1,094,625 (i.e. Nantucket County)
- 25% guaranty is required by secondary market investors (GNMA, FNMA, FHLMC and private investors)



## Where Can You Find VA Maximum Loan Amounts?

Lenders can view VA's maximum loan amounts at:

[http://www.benefits.va.gov/homeloans/docs/  
2011\\_county\\_loan\\_limits.pdf](http://www.benefits.va.gov/homeloans/docs/2011_county_loan_limits.pdf)

\* It is important to note that effective October 1, 2011 maximum VA loan amounts will change on October 1<sup>st</sup> every year moving forward

## 2011 VA County Loan Limits for High-Cost Counties

The Department of Veterans Affairs Loan Guaranty program does not impose a maximum amount that an eligible veteran may borrow using a VA-guaranteed loan. However, the following county "limits" must be used to calculate VA's maximum guaranty amount for a particular county. **These limits apply to all loans closed January 1, 2011 through September 30, 2011.** Fiscal Year 2012 county loan limits will be made available as soon as possible.

The maximum guaranty amount (available for loans over \$144,000) is 25 percent of the 2011 VA limit shown below. Therefore, a veteran with full entitlement available may borrow up to the 2011 VA limit shown below and VA will guarantee 25 percent of the loan amount. If a veteran has previously used entitlement that has not been restored, the maximum guaranty amount available to that veteran must be reduced accordingly. Lenders should check their own investor requirements regarding guaranty amounts and downpayments. Questions about VA loans in a particular county may be directed to the VA Regional Loan Center listed for that county.

NOTE: For all counties other than those listed below, the 2011 limit is \$417,000.

STATE	COUNTY	2011 VA LIMIT	Regional Loan Center
AK	ALEUTIANS EAST	\$625,500	DENVER
AK	ALEUTIANS WEST	\$625,500	DENVER
AK	ANCHORAGE	\$625,500	DENVER
AK	BETHEL	\$625,500	DENVER
AK	BRISTOL BAY	\$625,500	DENVER
AK	DENALI	\$625,500	DENVER
AK	DILLINGHAM	\$625,500	DENVER
AK	FAIRBANKS NORTH	\$625,500	DENVER
AK	HAINES	\$625,500	DENVER
AK	KODIAK	\$625,500	DENVER



# How Can You Tell If a Veteran Has Adequate Entitlement?

Adobe Reader - [ACE.pdf]

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**VA** Department of Veterans Affairs  
**CERTIFICATE OF ELIGIBILITY**  
**FOR LOAN GUARANTY BENEFITS**

REFERENCE NUMBER 770095

NAME OF VETERAN \_\_\_\_\_ SERVICE NUMBER \_\_\_\_\_  
 SOCIAL SECURITY NUMBER XXX-XX-7128

ENTITLEMENT CODE 10 BRANCH OF SERVICE Air Force DATE OF BIRTH 08/29/1979

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

THIS VETERAN'S BASIC ENTITLEMENT IS \$36,000\*  
 TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$0\*

\*Veteran is eligible for the benefits of Chapter 37, Title 38, U.S. Code, subject to any condition(s) cited below. Basic entitlement for veterans who have not previously used home loan benefits is \$36,000. For home purchase, construction, and condominium loans that are in excess of \$144,000, the entitlement amount shown is increased to an amount equal to 25% of the Freddie Mac conforming loan limit for a single family residence. The guaranty will not exceed 25 percent. Available entitlement represents the portion of a loan which may be guaranteed or insured by VA to a lender. For more information about maximum loan amounts, contact the nearest VA Regional Loan Center for further information.

Issued By: Bruce Bryant Date: April 09, 2007

CONDITIONS

General Rule for maximum  
 VA loan amount:  
 Remaining Entitlement x 4

1 of 1

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## How To Calculate Bonus Entitlement

\$417,000 maximum conforming loan limit  
x 25% required guaranty for secondary market  
\$104,250 maximum \$ amount of guaranty  
- 36,000 basic entitlement  
\$ 68,250 bonus entitlement for 2011 (most counties)



## How To Calculate Bonus Entitlement

\$1,094,625 maximum conforming loan limit (Nantucket)  
x 25% required guaranty for secondary market  
\$ 273,656 maximum \$ amount of guaranty  
- 36,000 basic entitlement  
\$ 237,656 bonus entitlement for 2011 (Nantucket)



## Entitlement Scenario – Partial Entitlement Remaining

### If Buying a Home in a Standard Conforming Loan Limit County

- Veteran purchased a home in 1985 for \$80,000
  - \$ 36,000 basic entitlement
  - 32,000 amount previously used
  - \$ 4,000 amount of basic remaining
- VA guaranteed \$32,000
  - + 68,250 bonus entitlement
  - \$ 72,250 total available entitlement
- VA's entitlement is still being used (veteran still owns, sold on assumption or home was liquidated)
  - \$ 4,000 x 4 = \$16,000 max VA loan using basic entitlement
  - \$ 72,250 x 4 = \$289,000 max VA loan using remaining basic entitlement and bonus entitlement



## Entitlement Scenario – Partial Entitlement Remaining

### If Buying a Home in Nantucket

- Veteran purchased a home in 1985 for \$80,000
  - \$ 36,000 basic entitlement
  - 32,000 amount previously used
  - \$ 4,000 amount of basic remaining
- VA guaranteed \$32,000
  - +237,656 bonus entitlement
  - \$241,656 total available entitlement
- VA's entitlement is still being used (veteran still owns, vet sold on assumption or home was liquidated)
  - \$ 4,000 x 4 = \$16,000 max VA loan using basic entitlement
  - 
  - \$241,656 x 4 = \$966,624 max VA loan using remaining basic entitlement and bonus entitlement



# VA Entitlement Overview

## Basic Entitlement

- Can never exceed \$36,000
- Only used for loans of \$144,000 or less
- Can be combined with bonus entitlement for purchases of \$144,001+
- Once full \$36,000 has been used, and VA loan is still active (or was liquidated), veteran cannot purchase another home for \$144,000 or less

## Bonus Entitlement

- Changes annually according to FHFA conforming loan limits, as adjusted by county
- Only kicks in for VA loans of \$144,001 or more
- Cannot be used for loan amounts of \$144,000 or less
- Can still be used even if veteran has \$0 in basic entitlement



## VA Entitlement + Down Payment / Equity

- GNMA will allow a combination of down payment or equity in the property + VA's guaranty to meet the 25% coverage requirement
- Lenders should check with their investor to ensure proper calculation and requirements



## VA Entitlement + Down Payment Example

- \$500,000 purchase price in a county where the maximum FHFA loan limit is \$417,000
- $\$500,000 - \$417,000 = \$83,000$  of uninsured loan
- $\$83,000 \times 25\%$  down payment = \$20,750
- 4.15% down payment meets GNMA guidelines to meet the 25% total coverage on the loan



## What is VA 's Maximum Loan Amount?

VA maximum loan amount is the lesser of the purchase price or appraised value, provided:

- The loan does not exceed FHFA's conforming loan limit (with funding fee and energy efficient improvements added)
- The veteran has sufficient entitlement to meet your investor requirements





# Types of VA Loans

- Single family home (up to 4 attached units)
- Joint loans – veteran and a non-spouse co-obligor
- Townhouse or condominium in a VA approved development
- Construction of a new home, townhouse or condominium
- Cash-out refinance up to 100% of the FHFA conforming loan limit
- Interest Rate Reduction Refinance Loan (IRRRL)
- Simultaneous purchase and improvement of a home
- Purchase a farm residence
- Veteran can add energy efficient mortgage improvements to any VA loan product



## VA Loan To Purchase a Home/Townhouse/Condo

- Veteran can purchase a home, townhouse, condo or manufactured home
- It must be titled as real estate and permanently affixed to a foundation
- If townhouse or condo it must be approved by VA
- Must meet VA's minimum property standards of safe, sanitary and sound
- No “fixer uppers”





## Joint Loans – Veteran and Non-Spouse Co-obligor

- Veteran can purchase a home with a friend, sibling, parent or any family member
- All co-obligors must qualify for their portion of the mortgage (credit, income stability, debt ratio, etc.)
- VA only guarantees the veteran's half of the loan, thereby resulting in a 12.5% guaranty to the lender
- GNMA, FNMA and FHLMC will not pool these loans
- Typical joint loan results in a portfolio serviced product. Only the larger servicers will purchase joint loans
- Joint loans must be sent to VA for underwriting in all cases



# Joint Loan – 2 or More Veterans

- Veterans do not have to be married
- More than 2 veterans can purchase
- All veterans must qualify for their portion of the mortgage (credit, income stability, debt ratio, etc.)
- Entitlement can be split amongst all veterans depending on how much they choose to split (assuming they have entitlement)
- If veterans are married, one veteran can “carry” the other in terms of qualifying
- 2 veterans can purchase a multi-unit property up to 6 attached units, 3 veterans can purchase up to 7 units, etc.)
- Loan must be sent to VA for underwriting in all cases



# New Construction / Proposed Construction

- Proposed construction requires blue prints and specification plans
- Automatic VA lenders can review specs and prints
- It must be a VA registered builder
- If proposed construction, VA must inspect at regular intervals
- If it is a new construction deal with a VA end loan, inspections performed by lender and/or municipality
- 1 year builder warranty required on all new construction
- Veteran can receive all earnest money back at closing
- Land equity or down payment can be used to reduce VA funding fee





# Cash-out Refinance

- Veteran must occupy the home
- VA considers paying off any non-VA loan, paying off a lien or taking cash out from an existing VA loan, a cash-out refinance
- Maximum loan is based on 100% of the VA appraised value + VA funding fee + energy efficient improvements
- Maximum loan is based on FHFA conforming loan limits
- Veteran must have at least a \$1lien against the property (this means that a house that is completely paid off cannot obtain a VA cash-out refinance)
- VA cash-out refinance is a full document loan that requires an appraisal, credit package, etc.





## Interest Rate Reduction Refinance Loan (IRRRL)

- Commonly referred to in the mortgage world as a “rate and term” refinance or a “streamline” refinance
- Must be a VA to VA loan
- The IRRRL typically requires no money out of pocket from the veteran
- VA does not require a credit report, appraisal or any other verifications of deposit or income
- Some lenders now requiring full documentation to close on an IRRRL
- Credit report and appraisal can be charged to veteran, provided the costs are “reasonable and customary”





## What Amounts Can Be Included in an IRRRL?

VA Form 26-8923, IRRRL Worksheet is designed to assist lenders with calculating the maximum VA IRRRL loan.

A veteran can refinance the following into the IRRRL:

- Existing VA loan payoff (can't be 30 days past due at closing)
  - + Allowable VA closing costs
  - + VA funding fee
  - + Up to 2 discount points to obtain interest rate reduction
- = Maximum VA IRRRL



## VA Form 26-8923

- VA Form 26-8923, IRRRL Worksheet assists lenders with calculating maximum loan amount
- Lenders must ensure the worksheet is accurate versus the HUD-1 Settlement Statement
- VA audit process has seen numerous instances of abuse in completing the 26-8923
- VA funding fee, origination charge and discount points are calculated using this form
- Substantial differences in payoff on 26-8923 and HUD-1 can result in overcharges to the veteran that lender will have to refund



## Interest Rate Reduction Refinance Loan (IRRRL)

### Lender Must Certify:

- Interest rate and principal / interest payment are being reduced  
or
- Interest rate and term of the loan are being reduced

### Veteran Must Certify:

- Veteran must sign certification acknowledging the effect of the “old” vs. “new” principal / interest payments and the number of months to recoup closing costs



## 20% Rule For IRRRL's

If the whole mortgage payment (PITI) will increase by 20% or more, the lender must certify:

- That the veteran qualifies for the increase in payment
- This may involve fully developing IRRRL as full document loan to review debt ratios, credit, etc.



# IRRRL Reminders

- Veteran can close an IRRRL with the principal and interest going up if converting from a VA ARM product to a fixed rate VA mortgage, or from a VA graduated payment mortgage to a fixed rate VA mortgage
- Maximum cash to veteran is \$500, but the VA Handbook is very specific about the fact that the IRRRL is not intended to give veterans cash at closing
- Term of the loan cannot go up by more than 10 years from original term (don't forget the rate must still be reduced)
- If existing VA loan is more than 30 days past due at closing, the IRRRL needs to be sent to the RLC of jurisdiction for underwriting



# Advertising the VA IRRRL Program

VA has seen numerous instances of abuse when advertising This benefit. Some reminders include:

- Cannot advertise that the veteran can “skip up to 2 payments”
- Cannot advertise that the veteran can receive up to \$500 cash back at closing
- Cannot advertise that your company has a special relationship with VA
- The lender cannot use the VA seal, or any other VA copyrighted emblem on its advertising



## Advertising the VA IRRRL Program (cont.)

- The lender should avoid sending out advertising using envelope print that claims “Veterans Benefits Department” or “Important Veterans Benefit”
- Lenders cannot charge an up front fee in order to get the IRRRL moving forward (it’s a no money out of pocket loan!)
- Lenders are asked to consider cost / benefit analysis when offering the IRRRL program. Audited examples of abuse:
  - \* 600 months to recoup closing costs?
  - \* Monthly P&I cost savings of \$.18 per month?
  - \* Having veterans close their 3<sup>rd</sup> IRRRL in two years?



## Special Veteran Program

### Congress Authorizes New Home Program For Veterans

Dear Veteran,

The Veteran's Administration has come up with an outstanding new refinance program. This may be your last opportunity to refinance under the VA Streamline Refinance Program and take advantage of the low rates.

As a Veteran, you are entitled to benefits unavailable to other mortgage holders. You could significantly reduce your interest rate, lower your term, or fix and adjustable rate.

*The benefits of the VA Streamline Refinance Program include:*

A low interest rate of 4.875%

Lower monthly mortgage payments

An opportunity to skip up to 2 payments and receive \$500 cash back at closing

Refund of existing escrow account (money back to you)

No out of pocket costs

*There Are Little Requirements:*

- Late Payments OK
- Unemployed or Self Employed OK
- No Credit Checks
- No Appraisal
- At Home Closing
- Cash Out Available
- Consolidates your 1<sup>st</sup> and 2<sup>nd</sup> Mortgage

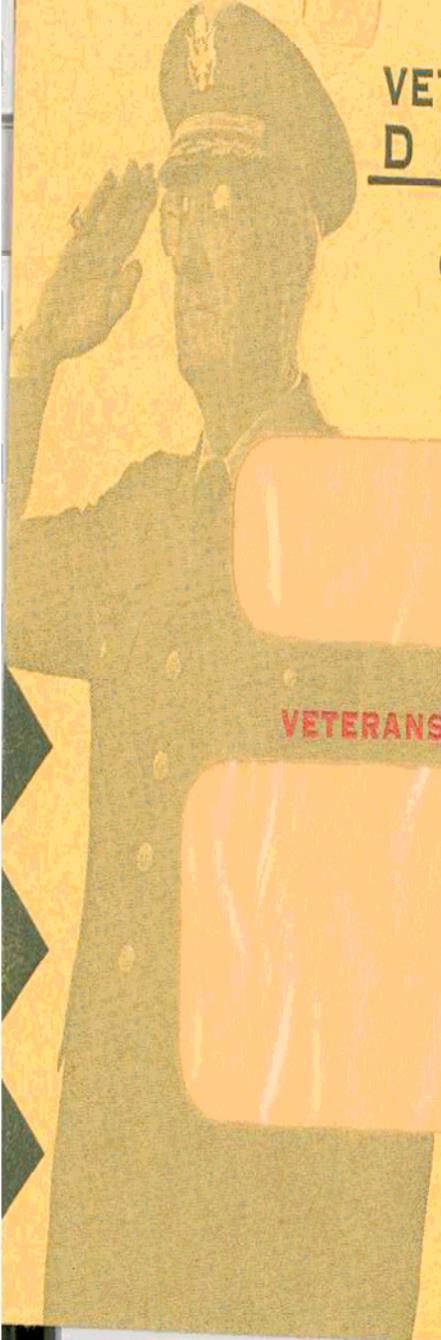
Please call our loan officers at 1-800- to guide you through the VA Streamline Refinance Program. There are no automated phone systems to fight your way through. A friendly voice answers every call.

**Daily 9:00 a.m. to 8:00 p.m. Monday thru Friday (EST)**

If you have converted to a Conventional, FHA or other type of loan now is the time to convert back to the VA. The VA contains benefits that are not available to other consumers.

Don't miss this opportunity.





**VETERANS INFORMATION  
DEPARTMENT**

• 391 ROBERTS ROAD •  
OLDSMAR, FLORIDA 34677



**CONFIDENTIAL**

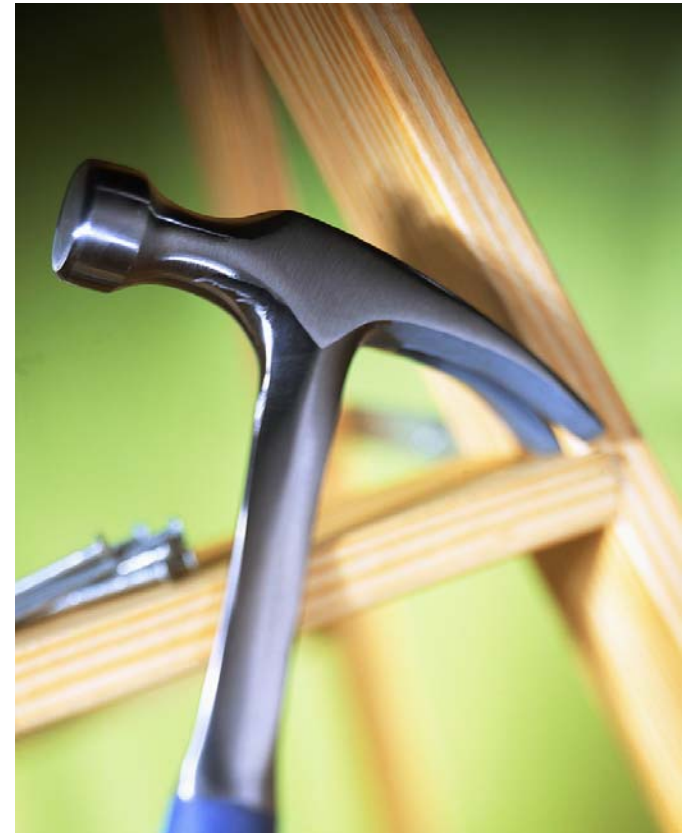
**VETERANS: IMPORTANT BENEFIT ENCLOSED**

MIC-AAC



## Consecutive Purchase and Improvement Program

- Veteran can purchase a home and propose to make improvements concurrently
- Veteran would need to submit blueprints and specification sheets clarifying improvement
- Improvements must result in a dollar for dollar increase in value (VA appraiser will determine using prints and specs)
- Escrow would be established and distributed upon inspections from VA appraiser





# Farm Property

- Veterans can purchase farm property with no restrictions on acreage
- VA loan may only consider value of the house and land to support residence
- All acreage is not necessarily given value for purposes of the VA loan
- Livestock, farm equipment, supplies and crops are not considered in the VA appraisal
- Buildings other than those that support the home are typically not given value





## Energy Efficient Mortgage Improvements (EEM's)

- Veterans can add up to \$3,000 to the 100% financing simply by providing a documented bid from a contractor
- Veterans can add from \$3,001 - \$6,000 in EEM's by providing an energy analysis to show that estimated monthly expense of the EEM improvement is less than monthly cost savings to utilities
- Veterans can add over \$6,000 in EEM's provided the cost is supported by a dollar for dollar increase in value (VA appraiser must certify increase in value)
- Funds are held in escrow until work is completed (does not have to be the typical 1 ½ times amount)





# Energy Efficient Improvements

## Items That Can Be Added

- Windows and doors
- Clock thermostats
- Furnaces
- Water heaters
- Insulation and weather stripping
- Solar heating and cooling systems
- Heat pumps
- Insulated garage doors on an attached garage

## Items That Cannot Be Added

- Air conditioning units – can be added if veteran has a medical certification due to breathing issues
- New roof or shingles
- Vinyl siding
- Glass block windows
- If questions regarding improvements, contact RLC



## Energy Efficient Improvement Analysis

For EEM's that result in \$3,001 - \$6,000 of improvement, VA requires an energy analysis. Analysis must document:

- If the additional monthly expense will be less than the monthly savings to the veteran's utility bills.
- The Department of Energy provides a website to accomplish this analysis. It can be found at:

<http://hes.lbl.gov/>



# HOME ENERGY SAVER™

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Over 6 million visits!

## ENERGY CALCULATOR

Enter your zip code, or

Enter previous session #

**GO**

[Look up zip code](#)



## Case Studies

"Home Energy Saver helped me save thousands of dollars per year. It is one government service that makes paying taxes worthwhile."

— Nick Wilder  
Wheat Ridge, Colorado

[Read more stories. Add yours.](#)

## Energy NewsWire

- [How Would You Use a Smart Meter to Manage Your Energy Use?](#)
- [Making Memorial Day Plans? Be Sure They're Efficient](#)
- [Smart Meters and a Smarter Grid](#)
- [Get the latest on energy-efficiency tax credits](#)
- [Obama at Home Depot](#)
- [HES featured by Suze Orman in Oprah Magazine](#)



## Are YOU set to save?

Please help us learn more about how thermostats get used (or not) with a 5 minute survey.

[Sure, I'll do the survey!](#)

More resources for: Teachers... [Energized Learning](#) • Professionals... [HESpro](#) • Help implementing our recommendations... [ENERGYSTAR.gov](#)

# Eligibility

## Who's Eligible For A VA Home Loan





# Eligibility Issues

- #1 Rule: You must obtain a certificate of eligibility (COE) prior to setting up a closing date for a VA home loan
- Do not assume all veterans are eligible
- VA Regional Offices no longer provide certificates of eligibility (can only obtain from an RLC or the Eligibility Center)
- Regional Loan Centers are not responsible for issuance of certificates of eligibility
- Primary responsibility for issuance of a COE is the Eligibility Center in Winston-Salem, NC
- If you arrived at the day of closing and you don't have a COE, someone at your company screwed up



# Which Veterans Are Eligible?

- Army
- Navy
- Air Force
- Marines
- Coast Guard
- National Guard / Reserves
- Service members of various military academies (West Point, Naval Academy, Air Force Academy, etc.)





# Basic Eligibility Requirements

- 2 years of continuous active duty. If discharged must have at least a discharge “Under Honorable Conditions”
- 6 years of combined service in the Selected Reserves or National Guard. If discharged must have at least an “Honorable” discharge.
- 90 days of continuous active duty, called to active duty under U.S.C. Title 10. If discharged must have at least a discharge “Under Honorable Conditions”
- 181 days of continuous active duty during peacetime for the following periods (7/26/47 – 6/26/50 or 2/1/55 – 8/4/64 or 5/8/75 – 8/1/90)



# How To Obtain A Certificate of Eligibility

- WebLGY – Automated Certificate of Eligibility (ACE)
- E-Benefits
- VA Eligibility Center
- Walk-in applications
- Prior loan validation for IRRRL's



# WebLGY

- WebLGY is a system located in the Veterans Information Portal (VIP). This system will eventually be the central processing site for all VA loan activity.
- Individual users must register themselves
- Shared corporate based registrations are not acceptable since the VIP will eventually require the user to change the password every 90 – 120 days



## How To Register for the Veterans Information Portal

- Users who wish to register for the VIP will need both a VA lender identification number and a PIN number
- In order to process any VA loan activity, a lender must have a VA lender i.d.
- Lenders are issued a VA lender identification number by the RLC that has jurisdiction over the lender's home office location



## How To Register for the Veterans Information Portal

To register for the VIP, the lender's identification number will appear as follows:

123456-00-00: Typical of a home office

123456-23-63: Typical of a branch office

The PIN number is the last 4 digits of the VA lender i.d. (as underlined above)



# Where Does a Lender Register For the Veterans Information Portal

## Portal Registration:

<http://vip.vba.va.gov>

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home

File Edit View Favorites Tools Help

Veterans Information Portal - U.S. Department of Vet...

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**VETERANS INFORMATION PORTAL**

**VIP Sign In**  
 User Name:  
 Password:  
 User Registration  
 Lost Password  
 Change Password  
 Lost User Name  
 Help

**Announcements**

Date	Message
05/19/2011	5/19/11 - VIP working better now
05/16/2011	*** NEW *** Changes to webLGY menu
01/06/2011	VIP Helpdesk Hours - 8am to 5pm M-F
01/06/2011	User Registration - Please register only one time!

**Featured Items**

[Condo Reports](#) - Receive a customized report of VA registered Condominiums across the US.

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**Veteran Information**

Benefits Information

Operations Enduring Freedom and Iraqi Freedom

Compensation and Pension Benefits

Education Benefits (GI Bill)

Vocational Rehabilitation & Employment Services

Benefits for the surviving spouse, dependent children

Information about life insurance for service members and veterans

Burial Benefits

VBA Regional Office Home Pages

**Special Programs**

Homeless Veterans

Minority Veterans

Woman Veterans

Military Services

Section 508 Accessibility

**How Can I...**

Apply for a VA guaranteed Home Loan?

Locate a State VA Office?

Get Vocational-Educational counseling?

Get help starting a business?

How can I know more about VA Kids?

How can I file an Appeal?

Access health care benefits?

Locate a National Cemetery?

Obtain job retraining for disabled veterans?

Apply for Grant to make my home

http://www.va.gov/

Local intranet 100%

Click on "User Registration"

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegHome.jspx - Windows Internet Explorer

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegHome.jspx

File Edit View Favorites Tools Help

https://vip.vba.va.gov/portal/web/userprofiling/html/...

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User Registration

Welcome!

We are committed to protecting your privacy and ensuring that only you can access your personal information. To assist us in meeting that commitment, you must register with us before using our on-line applications and services. During registration, you will create a unique user ID and a password which will be used to log-on and use our website.

 Do not register more than one time! Complete User Registration, only if you have never registered as a new VIP user.

Log-on to VIP to update your registration information including personal, contact and security information, employment or add a new role to your profile.

Ready to get started? [Register Now](#)

The Registration Process At-a-Glance

- Select your user type
- Enter your personal information
- Enter your contact information
- Enter your security information and create user name/password
- Subscribe to a community

Already Registered? [Log-On Now](#)

[Forgot your Password](#)  
[Forgot your User ID](#)  
Still need Help? Submit a Help Desk request to VIP.VBACO@va.gov

Information Center

[Frequently Asked Questions on Log on/Registration](#)

Done

VA Home Loans

Local intranet

100%

Click on  
"Register  
Now"

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegMain.jspx - Windows Internet Explorer

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegMain.jspx

File Edit View Favorites Tools Help

https://vip.vba.va.gov/portal/web/userprofiling/html/...

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User Registration

Are you a Veteran/Military Service Member/Beneficiary applying for benefits or curious as to what services and benefits VA has to offer?

☐ Yes ☐ No

Are you registering on the Veterans Information Portal (VIP) as a member of any of the groups below?

Select "VA Affiliate", if you are a VSO, Lender, Servicer, SAR, Appraiser/Inspector, or a Service Member working for the Department of Defense and need access to the Veterans Tracking Application (VTA-DES).

☒ VA Affiliate  
☐ VA Employee  
☐ None

**NEXT** Click Next to continue registration

**Helpful Hints**

Asterisk (\*) indicates a field required to be entered.

To register, you are required to enter information about yourself and/or your relationship to the Department of Veterans Affairs (VA).

If you are a veteran, military service member or beneficiary (someone who may be eligible for benefits because of your relationship to a veteran or military service member), indicate this by selecting yes to the question -Are you a Veteran/Military Service Member/Beneficiary applying for benefits?- If you have no additional affiliation with the VA, click Next.

If you indicate that you are a VA Employee, you will then be asked to enter your LAN User ID and Password.

If you are Lender, Appraiser, Servicer, Inspector or someone who is authorized to access Home Loan Program applications such as TAS, webLGY, CPTS, etc. select VA Affiliate.

If you would like your benefit information including the status of certain applications completed by you to display on your VIP (Veterans

Local intranet 100%

Click on "VA Affiliate"

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegMain.jspx - Windows Internet Explorer

https://vip.vba.va.gov/portal/web/userprofiling/html/registration/userRegMain.jspx

File Edit View Favorites Tools Help

https://vip.vba.va.gov/portal/web/userprofiling/html/...

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[Main](#) | Personal Information

Personal Information

What is your name?

Legal First Name\* JOHN

Middle Name

Legal Last Name\* DOE

Suffix

What is your Social Security Number (SSN)?

SSN\* 123-45-6789

Confirm SSN\* 123-45-6789

What is your date of birth?

Date of Birth (mm/dd/yyyy)\* 01/01/1963

What is your gender?

Gender\* ☒ Male ☐ Female

Helpful Hints

Asterisk (\*) indicates a field required to be entered.

For Legal First Name, please do not enter a nickname.

If you are a beneficiary (someone eligible for benefits because of your relationship to a veteran or military service member), enter the Veteran's VA Claim Number if known.

Back Next Click Next to continue registration.

VA Home | Privacy Policy | FOIA | Web Policies | No FEAR Act Data | Site Index | USA.gov | White House | National Resource Directory | Inspector General

U.S. Department of Veterans Affairs - 810 Vermont Avenue, NW - Washington, DC 20420

Done Local intranet 100%

Complete  
Required  
Fields



## Veterans Information Portal

- Once all remaining fields are completed, the user will click on “Submit”
- VIP will give the user a user name that typically takes the format: john.doe
- VIP will also give the user a temporary password. This password will have to be changed once the system prompts the user to do so.



## How To Obtain an Automated Certificate of Eligibility

- Once the lender has a user name and password, they can login to the Veterans Information Portal
- Once they are logged in, the primary system for lenders is called WebLGY

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home

File Edit View Favorites Tools Help

Veterans Information Portal - U.S. Department of Veterans Affairs

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» Open Advanced Search

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VETERANS INFORMATION PORTAL

VIP Sign In

User Name:

Password:

User Registration

Lost Password

Change Password

Lost User Name

Help

Announcements

Date	Message
05/19/2011	5/19/11 - VIP working better now
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How can I file an Appeal?

Access health care benefits?

Locate a National Cemetery?

Obtain job retraining for disabled veterans?

Apply for Grant to make my home

VA Home Loans

Local intranet

100%

Login to the VIP using user name and temporary password

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home?paf\_portalId=default&paf\_dm=shared

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Veterans Information Portal - U.S. Department of Veterans Affairs

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Welcome, Mark

**My Services**

- My Profile
- White Pages

**Applications**

- Access Manager
- eAppraisal
- Email
- FileNet
- Loan Guaranty
- Reports
- SAHSHA
- SIM
- TAS
- webELI
- webLGY
- CPB
- Life Insurance Online
- myHealtheVet
- VONAPP

**VETERANS INFORMATION PORTAL**

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**Veteran Information**

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- Operations Enduring Freedom and Iraqi Freedom
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- Education Benefits (GI Bill)
- Vocational Rehabilitation & Employment Services
- Benefits for the surviving spouse, dependent children
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- Burial Benefits
- VBA Regional Office Home Pages

**Special Programs**

- Homeless Veterans
- Minority Veterans
- Woman Veterans
- Military Services
- Section 508 Accessibility

**Loan Guaranty**

- Property Management
- Construction & Valuation
- Real Estate Professionals
- VA Monitoring Unit
- Loan Production
- Video Broadcasts

**Loan Guaranty Returning Users**

- Lenders Handbook
- Link to CAIVRS
- VA Funding Fee Payment System
- Military Pay and Housing Allowance charts
- Fee Appraiser Updates
- Contact VA Regional Loan Center
- Eligibility Center Contact Info

Local intranet 100%

Click on  
WebLGY

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

Links

WebLGY 11.3.2

Help Carmen White June 30, 2011

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

**Recently Accessed Loans**

Automated Certificate of Eligibility

Create Record

Search

Prior Loan Validation

Call Center

Reports

Enter New Loan

Loan Inquiry

Enter LIN

Advanced Search

Appraisal by External User

Search

Funding Fee Inquiry

Lender ID by Date

Veteran SSN / Service Number

Loan Status Inquiry

Test Loan Analysis

Bulk Paid in Full

Transfer Merger/Acquisition

**Eligibility Links**

Automated Certificate of Eligibility

Create Record

Certificate of Eligibility

Certificate of Veteran Status

Surviving Spouse

Search

Prior Loan Validation

Call Center

Search Calls

New Call

Reports

Eligibility Counts

Old Ace Search

**Veteran**

Correct Obligor

Veteran SSN / Service Number

Update Person Data

**Administration**

Edit Lookup List

Run Batch Process

Residual Income Calculations

Tax Tables

Federal Tax Tables

State Tax Tables

Medicare Tables

Maintain Loan Limits

Maintain RLC Data

Condo

Search Condos

New Condo

Add/Maintain/Search GEO Areas

**C & V Workbuckets**

RLC 325 - Cleveland C & V

RLC 373 - Manchester C & V

**Loan Processing Workbuckets**

RLC 325 - Cleveland

RLC 373 - Manchester

https://weblgy.vba.va.gov/WebLGY/AutomatedCOE.do

Local intranet 100%

Click on "Eligibility", "Automated Certificate of Eligibility"

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

Veterans Information Portal - ... WebLGY - VA Loan Guar...

WebLGY 11.3.2

Help Carmen White June 30, 2011

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

Automated Certificate of Eligibility

### Automated Certificate of Eligibility

Please Enter The Indicated Information In The Spaces Below

Name *	First *	Middle	Last *	Suffix
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
SSN *	<input type="text"/>			
Re-enter SSN *	<input type="text"/>			
Date of Birth *	<input type="text"/>			
Service Number	<input type="text"/>			
Name (if different at time of service)	First	Middle	Last	Suffix
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Previous VA Loans *	<input type="text"/>			

Submit

[Español](#) | 
 [VA Forms](#) | 
 [Facilities Locator](#) | 
 [Contact the VA](#) | 
 [Frequently Asked Questions \(FAQs\)](#) | 
 [Privacy Policy](#) | 
 [Web Policies & Important Links](#) | 
 [Annual Performance and Accountability Report](#)

Local intranet 100%

Enter  
Veteran's  
Information in  
Required  
Fields

Adobe Reader - [ACE.pdf]

FileEditViewDocumentToolsWindowHelp

Save a Copy

Search

Select

50%

Help

Pages

Attachments

Comments

Office

Microsoft

VA

Department of Veterans Affairs

CERTIFICATE OF ELIGIBILITY

FOR LOAN GUARANTY BENEFITS

REFERENCE NUMBER 770095

NAME OF VETERAN

SERVICE NUMBER

SOCIAL SECURITY NUMBER XXX-XX-7128

ENTITLEMENT CODE 10

BRANCH OF SERVICE Air Force

DATE OF BIRTH 08/29/1979

Prior Loans charged to entitlement

VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

THIS VETERAN'S BASIC ENTITLEMENT IS \$36,000\*

TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$0\*

\*Veteran is eligible for the benefits of Chapter 37, Title 38, U.S. Code, subject to any condition(s) cited below. Basic entitlement for veterans who have not previously used home loan benefits is \$36,000. For home purchase, construction, and condominium loans that are in excess of \$144,000, the entitlement amount shown is increased to an amount equal to 25% of the Freddie Mac conforming loan limit for a single family residence. The guaranty will not exceed 25 percent. Available entitlement represents the portion of a loan which may be guaranteed or insured by VA to a lender. For more information about maximum loan amounts, contact the nearest VA Regional Loan Center for further information.

Issued By: Bruce Bryant

Date: April 09, 2007

CONDITIONS

1 of 1

Start

Inbox - Micr...

Veterans In...

ACE.pdf

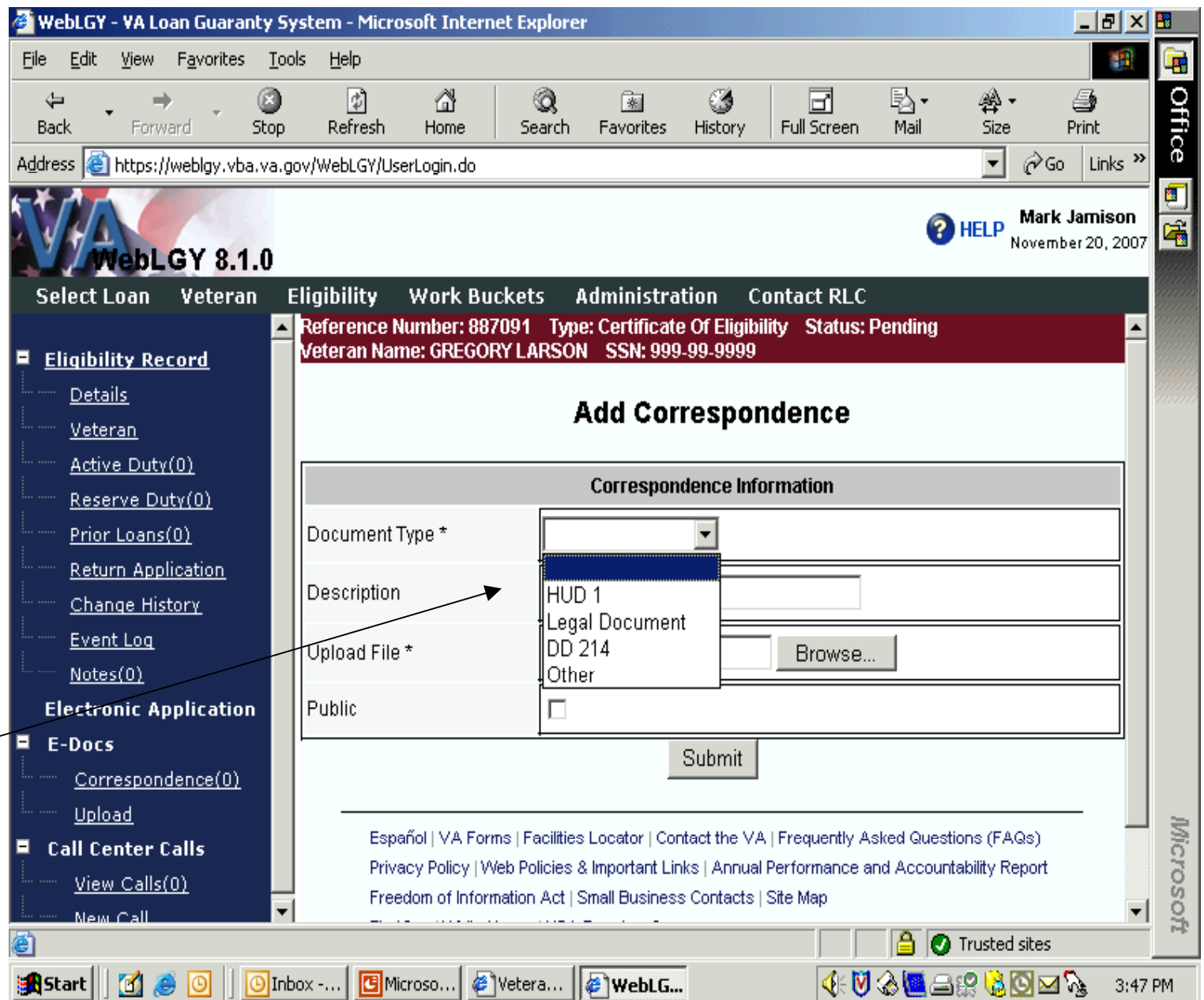
Adobe Rea...

8:01 AM



## Automated Certificate of Eligibility

- If the lender is not successful using the ACE program, lenders will receive a message from ACE and a Reference number
- Lenders should obtain copy of DD214 and copy of HUD-1 (if veteran had previous VA loan)
- Lender can then scan those documents into their hard drive and then upload into WebLGY



Lenders can scan documents into their hard drive and then upload those documents to the Eligibility Center via WebLGY



## Automated Certificate of Eligibility

- Once documents are uploaded into ACE, the Eligibility Center will work the case on a first in, first out basis
- Lenders should make sure to enter all necessary data in ACE (e-mail address, point of contact, etc.) so the Eligibility Center can properly notify lender if there are unresolved issues
- Once documentation is uploaded into ACE program, typical turnaround time to issue an automated certificate of eligibility is about 3 – 5 days



# E-Benefits

- Effective March 2011 veterans can now register themselves to acquire information on a variety of VA benefits
- Information that can be obtained in E-Benefits is both general information about VA programs and personal information about the veteran
- Veterans can register for E-Benefits at:

[www.ebenefits.va.gov](http://www.ebenefits.va.gov)

## eBenefits Overview - Home Page

The screenshot shows the eBenefits Home Page with several key features highlighted by callouts:

- My eBenefits**: Manage your benefits as a premium account user. This callout points to the "My eBenefits" link in the top navigation bar.
- Login/Register**: Authenticate with a basic or premium account. This callout points to the "Log in" and "Register" buttons in the top right corner.
- Recommended for You Tab**: Receive tailored and personalized site recommendations. This callout points to the "Recommended for You" tab in the "Promo three" section.
- State Benefits**: Browse State and U.S. Territory benefit information. This callout points to the "Browse State Benefits" section, specifically the "Select a state...." dropdown menu.

The page also features a search bar, a "Stop Waiting. check your claims status online!" banner, and a "Find benefits by state" link.



The My eBenefits dashboard is the gateway to DoD and VA benefits.

The screenshot displays the My eBenefits dashboard interface. At the top, there is a navigation bar with tabs for "My eBenefits", "Benefit Links", "Tools", "Apply", "About", and "Help". Below this is a "Dashboard" section with a "list all tabs" dropdown. A "Show me:" filter bar includes buttons for "All", "Service Member", "Family Member", "Veteran", and "Wounded Warrior", with a "SHOW" button. The main content area is organized into several categorized panels, each with a "Show Detail" link and a minus sign for collapsing:

- Personal Information:** Includes links to "Log in to use these features:", "My eBenefits Profile", "Request Official Military Personnel File", "Service Member Civilian Employment Information", "Service Member Personnel Information", and "Update Personal Contact Information for DEERS and VA Outreach".
- Compensation:** Includes links to "About Veterans' Appeal Status", "OSD Military Compensation", "Log in to use these features:", "Compensation & Pension Claims Status", "VA Payment History", and "Veterans' Appeals Status".
- Messaging:** Includes links to "Request State Benefits Information", "Log in to use these features:", and "Message Center".
- Insurance:** Includes links to "Log in to use these features:", "DoD TRICARE Health Insurance", "Service Member Out-of-Pocket Medical Expenses (CCD)", and "Service Members' Group Life Insurance (SGLI)".
- Education:** Includes links to "eLearning Center", "Log in to use these features:", and "Transfer Post-9/11 GI Bill Education Benefits".
- Utilities:** Includes links to "Log in to use these features:", "Account Activity History", and "Favorite Benefits Links".
- Health:** Includes links to "About Ordering Hearing Aid Batteries", "Health Benefits Eligibility Check", "Move!23 Health Questionnaire", "Log in to use these features:", and "Order Hearing Aid Batteries".
- Housing:** Includes links to "About Specially Adapted Housing Application and Claim Status", "About the VA Home Loan Certificate of Eligibility (COE)", "Log in to use these features:", "Specially Adapted Housing Grant Application and Claim Status", and "VA Home Loan Certificate of Eligibility".

In the bottom left corner, there is a small icon of a document with a triangle and the letters "PS".



# E-Benefits Features

- Apply and obtain a home loan certificate of eligibility
- Check status of compensation or pension claims
- View payment history of VA benefits
- Access and retrieve copies of official military personnel records
- Transfer education benefits for post 9/11 GI Bill
- Have access to mobile e-Benefits on your cell phone



# Certificate of Eligibility by Mail

Provide the following information to the Eligibility Center:

- Completed VA Form 26-1880
- Copy of discharge papers – Form DD214, or other national guard/reservist documentation
- If still on active duty, have military member provide a “statement of service”





# VA Eligibility Center

Previously mentioned documentation should be sent to:

VA Eligibility Center  
PO Box 20729  
Winston-Salem, NC 27120



# What is Required for Proof of Military Service?

The following documents are typically used to prove whether a service member is eligible:

- **Statement of Service:** physical letter or e-document from the military expressing the military service member's current enlistment
- **DD 214, Member 4 copy:** most common discharge document given to all members of the military once they've completed their term of service
- **NGB 22:** commonly issued by the national guard or reserves once a military service member has discharged
- **Points Statement:** commonly used by the national guard or reserves to account for ongoing points earned towards retirement and future benefits



## Statement of Service

A typed letter on military letterhead, or an e-document from the military that expresses the active duty service member's:

- Service member's name
- Social security number
- Date of birth
- Date of entry into the military

Proof of Service

Page 1 of 1

DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS AIR FORCE PERSONNEL CENTER  
RANDOLPH AIR FORCE BASE TEXAS

FROM: HEADQUARTERS AIR FORCE PERSONNEL CENTER

10 APR 2009

SUBJECT: OFFICIAL PROOF OF SERVICE LETTER

1. This information is retrieved directly from the Air Force Personnel Database at Randolph Air Force Base Texas. All questions regarding the validity of this letter should be referred to the member's servicing Military Personnel Flight, or the Air Force Personnel Contact Center at 1-800-616-3775.

NAME

SSAN

DATE

10 APR 2009

## SERVICE DATES:

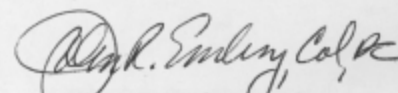
- a. RANK: MSG
- b. DATE OF RANK: 01 FEB 2001
- c. EXTENDED ACTIVE DUTY: 21 MAY 1986
- d. DATE OF ENLISTMENT: 01 FEB 2006
- e. TERM OF ENLISTMENT: 4
- f. TOTAL ACTIVE FEDERAL MILITARY SERVICE DATE: 12 FEB 1986
- g. DATE OF SEPARATION: 28 FEB 2011
- h. PAY DATE: 14 JAN 1984
- i. DATE ELIGIBLE RETURN FROM OVERSEAS: \*\*\*\*\*
- j. DATE OF BIRTH: 12 NOV 1966
- k. LOST TIME: 0

Note : \*\*\*\*\* Denotes No Data

2. Member is currently serving on extended active duty.

## ELECTRONICALLY GENERATED SIGNATURE IMPLIED

THIS DOCUMENT CONTAINS INFORMATION WHICH MUST BE PROTECTED  
IAW AFI 33-332 AND DOD REGULATION 5400.11.  
PRIVACY ACT OF 1974, AS AMENDED, APPLIES.

  
JOHN R. EMBRY, Col, USAF, DC  
Commander, 81st Dental Squadron



## Form DD 214

- The formal discharge document for an active service member's tour of duty
- Issued by the Department of Defense
- VA does not store DD214's
- DD 214, Member 4 copy is the preferred copy of this document to review service member's tour of duty and character of discharge

ANY ALTERATIONS IN SHADED AREAS  
RENDER FORM VOID

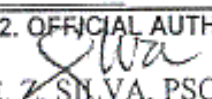
[illegible]

23. TYPE OF SEPARATION DISCHARGED		24. CHARACTER OF SERVICE (Include upgrades) HONORABLE	
25. SEPARATION AUTHORITY MILPERSMAN 1910-124		26. SEPARATION CODE JDG	27. REENTRY CODE RE-4
28. NARRATIVE REASON FOR SEPARATION CONVENIENCE OF THE GOVERNMENT - PARENTHOOD			
29. DATES OF TIME LOST DURING THIS PERIOD (YYYYMMDD) TL:NONE			30. MEMBER REQUESTS COPY 4 (Initials)

MEMBER - 4

ANY ALTERATIONS IN SHADED AREAS  
RENDER FORM VOID

1. NAME (Last, First, Middle)		2. DEPARTMENT, COMPONENT AND BRANCH NAVY - USN		3. SOCIAL SECURITY NUMBER		
4a. GRADE, RATE OR RANK IC3	b. PAY GRADE E4	5. DATE OF BIRTH (YYYYMMDD)		6. RESERVE OBLIGATION TERMINATION DATE (YYYYMMDD) N/A		
7a. PLACE OF ENTRY INTO ACTIVE DUTY		b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known)				
8a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND USS JOHN C STENNIS (CVN 74)			b. STATION WHERE SEPARATED USS JOHN C STENNIS (CVN 74) AT SAN DIEGO, CA			
9. COMMAND TO WHICH TRANSFERRED N/A				10. SGLI COVERAGE <input type="checkbox"/> NONE AMOUNT: \$ 400,000.00		
11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years.) IC - 4787 IMPROVED FRESNEL LENS OPTICAL LANDING SYSTEM(IFLOLS) 02YRS, 09MOS  IC - 4728 WSN-5 INERTIAL NAVIGATION SET TECHNICIAN 04YRS, 07MOS X X X X X X X X X X		12. RECORD OF SERVICE		YEAR(S)	MONTH(S)	DAY(S)
		a. DATE ENTERED AD THIS PERIOD		01	FEB	16
		b. SEPARATION DATE THIS PERIOD		06	JUN	09
		c. NET ACTIVE SERVICE THIS PERIOD		05	03	21
		d. TOTAL PRIOR ACTIVE SERVICE		00	00	00
		e. TOTAL PRIOR INACTIVE SERVICE		00	00	00
		f. FOREIGN SERVICE		00	00	00
		g. SEA SERVICE		04	02	14
h. EFFECTIVE DATE OF PAY GRADE		02	MAY	16		
13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service) NAVY GOOD CONDUCT MEDAL, NATIONAL DEFENSE SERVICE MEDAL, ARMED FORCES EXPEDITIONARY MEDAL, SEA SERVICE DEPLOYMENT RIBBON(2), GLOBAL WAR ON TERRORISM EXPEDITIONARY MEDAL, GLOBAL WAR ON TERRORISM SERVICE MEDAL. X X X X X X X X X X			14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed) WSN-5 SCHOOL, 5WKS, NOV01; IFLOLS/ABE "C" SCHOOL 7WKS, SEP03. X X X X X X X X X X			

15a. MEMBER CONTRIBUTED TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM		<input checked="" type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
b. HIGH SCHOOL GRADUATE OR EQUIVALENT		<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
16. DAYS ACCRUED LEAVE PAID	17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION			YES	NO
				<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. REMARKS					
DD21 SERIAL#	YYB.	X		X	X
X		X		X	X
X		X		X	
X		X		X	
X		X		X	
The information contained herein is subject to computer matching within the Department of Defense or with any other affected Federal or non-Federal agency for verification purposes and to determine eligibility for, and/or continued compliance with, the requirements of a Federal benefit program.					
19a. MAILING ADDRESS AFTER SEPARATION (Include ZIP Code)			b. NEAREST RELATIVE (Name and address - include ZIP Code)		
20. MEMBER REQUESTS COPY 6 BE SENT TO		OH	DIRECTOR OF VETERANS AFFAIRS		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
21. SIGNATURE OF MEMBER BEING SEPARATED		22. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title and signature)			
		 E. Z. SILVA, PSCS(SW/AW), USN, PERS LCPO BYDIRCO			

SPECIAL ADDITIONAL INFORMATION (For use by authorized agencies only)		
23. TYPE OF SEPARATION DISCHARGED	24. CHARACTER OF SERVICE (Include upgrades) HONORABLE	
25. SEPARATION AUTHORITY MILPERSMAN 1910-124	26. SEPARATION CODE JDG	27. REENTRY CODE RE-4
28. NARRATIVE REASON FOR SEPARATION CONVENIENCE OF THE GOVERNMENT - PARENTHOOD		
29. DATES OF TIME LOST DURING THIS PERIOD (YYYYMMDD) TL:NONE		30. MEMBER REQUESTS COPY 4 (Initials)



## DD214 U.S.C. Title 10

- Same format as all other DD 214's
- Issued to service members who were involuntarily called to active duty during a time of war or national interest
- Narrative section should state reason for call-up
- Only 90 days active duty and honorable discharge required to be eligible

CAUTION: NOT TO BE USED FOR  
IDENTIFICATION PURPOSESTHIS IS AN IMPORTANT RECORD.  
SAFEGUARD IT.ANY ALTERATIONS IN SHADED AREAS  
RENDER FORM VOID

## CERTIFICATE OF RELEASE OR DISCHARGE FROM ACTIVE DUTY

1. NAME (Last, First, Middle)		2. DEPARTMENT, COMPONENT AND BRANCH USMC-KM		3. SOCIAL SECURITY NUMBER																																					
4a. GRADE, RATE OR RANK LCPL	b. PAY GRADE E-3	5. DATE OF BIRTH (YYYYMMDD) 19810628		6. RESERVE OBLIGATION TERMINATION DATE (YYYYMMDD) 20080821																																					
7a. PLACE OF ENTRY INTO ACTIVE DUTY NMCRC, Perrysburg, OH		b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known) Defiance, OH 43512																																							
8a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND Weapons Company, 1st Battalion, 24th Marines		b. STATION WHERE SEPARATED Weapons Company, 1st Battalion, 24th Marines (RUC: 85221)																																							
9. COMMAND TO WHICH TRANSFERRED Weapons Company, 1st Battalion, 24th Marines, Perrysburg, OH (RUC:14167)		10. SGLI COVERAGE		NONE AMOUNT: \$ 250,000																																					
11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years.)  0341- MORTARMAN (02 YRS 06 MO)		12. RECORD OF SERVICE																																							
		<table border="1"> <thead> <tr> <th></th> <th>YEAR(S)</th> <th>MONTH(S)</th> <th>DAY(S)</th> </tr> </thead> <tbody> <tr> <td>a. DATE ENTERED AD THIS PERIOD</td> <td>2003</td> <td>02</td> <td>27</td> </tr> <tr> <td>b. SEPARATION DATE THIS PERIOD</td> <td>2003</td> <td>11</td> <td>19</td> </tr> <tr> <td>c. NET ACTIVE SERVICE THIS PERIOD</td> <td>00</td> <td>08</td> <td>22</td> </tr> <tr> <td>d. TOTAL PRIOR ACTIVE SERVICE</td> <td>00</td> <td>04</td> <td>22</td> </tr> <tr> <td>e. TOTAL PRIOR INACTIVE SERVICE</td> <td>03</td> <td>01</td> <td>14</td> </tr> <tr> <td>f. FOREIGN SERVICE</td> <td>00</td> <td>06</td> <td>27</td> </tr> <tr> <td>g. SEA SERVICE</td> <td>00</td> <td>00</td> <td>00</td> </tr> <tr> <td>h. EFFECTIVE DATE OF PAY GRADE</td> <td>2001</td> <td>12</td> <td>01</td> </tr> </tbody> </table>					YEAR(S)	MONTH(S)	DAY(S)	a. DATE ENTERED AD THIS PERIOD	2003	02	27	b. SEPARATION DATE THIS PERIOD	2003	11	19	c. NET ACTIVE SERVICE THIS PERIOD	00	08	22	d. TOTAL PRIOR ACTIVE SERVICE	00	04	22	e. TOTAL PRIOR INACTIVE SERVICE	03	01	14	f. FOREIGN SERVICE	00	06	27	g. SEA SERVICE	00	00	00	h. EFFECTIVE DATE OF PAY GRADE	2001	12	01
	YEAR(S)	MONTH(S)	DAY(S)																																						
a. DATE ENTERED AD THIS PERIOD	2003	02	27																																						
b. SEPARATION DATE THIS PERIOD	2003	11	19																																						
c. NET ACTIVE SERVICE THIS PERIOD	00	08	22																																						
d. TOTAL PRIOR ACTIVE SERVICE	00	04	22																																						
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f. FOREIGN SERVICE	00	06	27																																						
g. SEA SERVICE	00	00	00																																						
h. EFFECTIVE DATE OF PAY GRADE	2001	12	01																																						
13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service)  ARMED FORCES RESERVE MEDAL WITH "M" DEVICE NATIONAL DEFENSE SERVICE MEDAL SEA SERVICE DEPLOYMENT RIBBON SELECTED MARINE CORPS RESERVE MEDAL		14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed)  NONE																																							
15a. MEMBER CONTRIBUTED TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM		<input checked="" type="checkbox"/> YES		<input checked="" type="checkbox"/> NO																																					
b. HIGH SCHOOL GRADUATE OR EQUIVALENT		<input checked="" type="checkbox"/> YES		<input checked="" type="checkbox"/> NO																																					
16. DAYS ACCRUED LEAVE PAID 0.0	17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION																																								
	<input checked="" type="checkbox"/> YES		<input checked="" type="checkbox"/> NO																																						
18. REMARKS IN VOLUNTARY RECALLED TO ACTIVE DUTY IN SUPPORT OF OPERATION ENDURING FREEDOM UNDER PROVISIONS OF TITLE 10, USC, SEC 12302, AND DETERMINED AS EXEMPT FROM THE 5 YEAR CUMULATIVE SERVICE LIMIT PER TITLE 38, USC, CHAP 43 (USRRRA). MEMBER WAS IN IMMINENT DANGER ZONE FROM 20030318-20031015.  NOT A FINAL DISCHARGE.  DATE DETACHED SEPARATION ACTIVITY: 20031119 1 DAY TRAVEL TIME. SNM IS UNAVAILABLE FOR SIGNATURE.  The information contained herein is subject to computer matching within the Department of Defense or with any other affected Federal or non-Federal agency for verification purposes and to determine eligibility for, and/or continued compliance with, the requirements of a Federal benefit program.																																									
19a. MAILING ADDRESS AFTER SEPARATION (Include ZIP Code)		b. NEAREST RELATIVE (Name and address - include ZIP Code)																																							
1																																									
20. MEMBER REQUESTS COPY 6 BE SENT TO OH		DIRECTOR OF VETERANS AFFAIRS		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO																																					
21. SIGNATURE OF MEMBER BEING SEPARATED See Remarks.		22. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title and signature) D. G. HOLMES, SSGT, ADMIN CHIEF																																							

## SPECIAL ADDITIONAL INFORMATION (For use by authorized agencies only)

23. TYPE OF SEPARATION Released from active duty		24. CHARACTER OF SERVICE (Include upgrades) HONORABLE	
25. SEPARATION AUTHORITY MARCORSEPMAN PAR 1005		26. SEPARATION CODE MBK5	27. REENTRY CODE RE-00
28. NARRATIVE REASON FOR SEPARATION COMPLETION OF REQUIRED ACTIVE SERVICE			
29. DATES OF TIME LOST DURING THIS PERIOD (YYYYMMDD) NONE		30. MEMBER REQUESTS COPY 4 (Initials)	



## National Guard / Reservist Points Statement

- Typically available from the national guard/reservist member's command post
- Most state's adjutant general's office in charge of storing document
- Must show 6 years of accumulating active or inactive duty points
- 6 years does not have to be consecutive years
- 6 years can be made up from various states' national guard/reservist duty
- Veteran needs to fulfill the full 6 years

**U.S. ARMY RESERVE PERSONNEL COMMAND**  
**1 RESERVE WAY**  
**ST. LOUIS, MO 63132-5200**  
**CHRONOLOGICAL STATEMENT OF RETIREMENT POINTS**

REPLY TO ARPC-PSR  
 ATTN:

06 MAY 2009

SOCIAL SECURITY NUMBER

Points shown below are a recapitulation of retirement credits as received by this Command. If there are errors or omissions, please return a copy of the detail points listing (on reverse) with your request for correction. Include copies of pay vouchers, record of attendance and correspondence course completions to substantiate your request for correction.

REASON FOR ISSUANCE		Requested		DATE OF BIRTH		CURRENT GRADE		SSG		PEBD		19951102	
1. BEGINNING DATE YR MO DAY	2. ENDING DATE YR MO DAY	3. MILITARY PERSONNEL CLASS	4. STATUS OR COMPONENT	5. INACTIVE DUTY POINTS	6. EXTENSION COURSE POINTS	7. MEMBER- SHIP POINTS	8. ACTIVE DUTY POINTS	9. QUALIFYING FOR RETIREMENT YRS MOS DAYS	10. TOTAL POINTS CREDITABLE				
2008 01 04	2008 04 13	ENL	USAR	008	000	04	0057	00 03 10	0069				
2008 04 10	2007 02 02	ENL	AGR	000	000	12	0299	00 09 24	0311				
2005 04 10	2006 04 09	ENL	USAR	000	000	15	0365	01 00 00	0365				
2004 04 10	2005 04 09	ENL	USAR	000	000	15	0365	01 00 00	0365				
2003 04 10	2004 04 09	ENL	USAR	000	000	15	0365	01 00 00	0365				
2002 04 10	2003 04 09	ENL	USAR	000	000	15	0365	01 00 00	0366				
2001 04 10	2002 04 09	ENL	USAR	000	000	15	0363	01 00 00	0365				
2000 04 10	2001 04 09	ENL	USAR	072	000	15	0027	01 00 00	0114				
1999 04 10	2000 04 09	ENL	USAR	065	000	15	0021	01 00 00	0096				
1998 04 10	1999 04 09	ENL	USAR	032	000	15	0016	01 00 00	0063				
1997 04 10	1998 04 09	ENL	USAR	041	000	15	0015	01 00 00	0071				
1996 04 10	1997 04 09	ENL	USAR	033	000	15	0014	01 00 00	0062				
1995 04 10	1996 04 09	ENL	USAR	003	000	15	0170	01 00 00	0188				
1994 12 14	1995 04 09	ENL	BREAK	000	000	00	0000	00 00 00	0000				
1994 04 14	1994 12 13	ENL	USAR	012	000	10	0000	00 00 00	0022				
Troop Program Unit members must see their Unit Administrators for corrections through RLAS.							TOTAL	12 01 04	2822				
For information on retirement points, 20-year letters, and RC-SBP see our Web Page at <a href="https://www.hrc.army.mil">https://www.hrc.army.mil</a>													



## National Guard / Reservist NGB 22

- NGB 22 is final discharge document issued by Dept. of Defense for national guard members
- Must have served 6 years with an honorable discharge
- No points statement required



## Walk-In Certificates of Eligibility

- Regional Offices no longer issuing COE's due to the inception of the ACE program
- Primary responsibility for issuance of a COE is the Eligibility Center
- RLC's will accept walk-in customers typically from 8:00 am – 4:30 pm
- Please make sure veteran has proper documentation and personal identification to get into federal facility
- Please do not make veteran drive 100 miles to an RLC (COE should have been issued prior to closing date being arranged)



## Eligibility Determination for an IRRRL

- Lenders do not need a COE for an IRRRL
- WebLGY issues what is called “Prior Loan Validation”. Link is located in drop down menu for Eligibility.
- Screen printout from information obtained under Prior Loan Validation takes the place of the COE
- DO NOT order a VA appraisal if your company requires an appraisal for an IRRRL
- WebLGY will not issue new VA loan number if veteran does not have an open, active VA loan

WebLGy - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGy/UserLogin.do

File Edit View Favorites Tools Help

WebLGy - VA Loan Guaranty System

WebLGy 11.3

Help Mark Jamison May 20, 2011

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

Recently Accessed Loans

Create Record

Search

Prior Loan Validation

Call Center

Reports

Personalities

VA loan for IRRRL

VA loan

Eligibility Links

Create Record

Certificate of Eligibility

Certificate of Veteran Status

Surviving Spouse

Search

Prior Loan Validation

Call Center

Search Calls

New Call

Reports

Eligibility Counts

Old Ace Search

Veteran

Correct Obligor

Veteran SSN / Service Number

Update Person Data

Administration

Residual Income Calculations

Tax Tables

Federal Tax Tables

State Tax Tables

Medicare Tables

Maintain Loan Limits

Maintain RLC Data

Condo

Search Condos

New Condo

Maintain Station POC Data

Add/Maintain/Search GEO Areas

Loan Links

Enter New Loan

Loan Inquiry

Enter LIN

Advanced Search

Appraisal by External User Search

Funding Fee Inquiry

Lender ID by Date

Veteran SSN / Service Number

Loan Status Inquiry

Process Old Loan

Test Loan Analysis

Bulk Paid in Full

Transfer Merger/Acquisition

C & V Workbuckets

RLC 325 - Cleveland C & V

RLC 373 - Manchester C & V

Loan Processing Workbuckets

RLC 325 - Cleveland

RLC 373 - Manchester

Click on "Prior Loan Validation:" link

https://weblgy.vba.va.gov/WebLGy/PriorLoanValidation.do

Local intranet 100%

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 11.3

Help Mark Jamison May 20, 2011

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

**Prior Loan Validation**

**Prior Loan Validation**

Enter LIN, SSN, or Service Number. Last name required.

Only active loans will be returned

You may use \* for last names shorter than 5 letters. (Example: LEE\*\*)

Search Criteria	
LIN	<input type="text"/>
SSN	<input type="text"/>
Service Number	<input type="text"/>
Last Name(First 5)*	<input type="text"/>

Search

[Español](#) | [VA Forms](#) | [Facilities Locator](#) | [Contact the VA](#) | [Frequently Asked Questions \(FAQs\)](#)  
[Privacy Policy](#) | [Web Policies & Important Links](#) | [Annual Performance and Accountability Report](#)  
[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
[FirstGov](#) | [White House](#) | [USA Freedom Corps](#)

Reviewed/Updated Date: February 15, 2006

Done Local intranet 100%

Fill In Required  
Fields



## Prior Loan Validation

Enter LIN, SSN, or Service Number. Last name required.

Only active loans will be returned

You may use \* for last names shorter than 5 letters. (Example: LEE\*\*)

Search Criteria	
LIN	<input type="text" value="25-25-2-05"/>
SSN	<input type="text"/>
Service Number	<input type="text"/>
Last Name(First 5)*	<input type="text" value="ARWOOD"/>

Search

## Search Results

LIN	Name	Address	Interest Rate	Entitlement Code	Branch Of Service	Loan Amount	Guaranty Amount	Description	Loan Type
25-25-2-05	ARWOOD	CINCINNATI OH, 45227		08	Army	22,500	13,500	Active Loan	Home

[Español](#) | [VA Forms](#) | [Facilities Locator](#) | [Contact the VA](#) | [Frequently Asked Questions \(FAQs\)](#)  
[Privacy Policy](#) | [Web Policies & Important Links](#) | [Annual Performance and Accountability Report](#)  
[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
[FirstGov](#) | [White House](#) | [USA Freedom Corps](#)

Reviewed/Updated Date: February 15, 2006



# Surviving Spouse Eligibility

- Some un-remarried surviving spouses are eligible for the VA home loan benefit
- Just because veteran died, benefit does not automatically transfer to spouse
- Veteran's death must have been caused by injuries sustained while on active duty
- Injuries could have been immediate or they could have resulted in physical disability that ultimately led to veteran's death many years later
- Determination cannot be done in ACE
- Must send Eligibility Center VA Form 26-1817
- Determination could take 4 – 6 weeks (do not process VA loan until you have actual COE)
- Entitlement code would always be '6' if spouse was deemed eligible



# Restoration of Entitlement

- VA loan can be used more than once
- Full restoration of entitlement requires payoff of existing VA loan **and** transfer of title
- Veteran must obtain new COE
- Entitlement code for restoration would always be '5'
- In order to obtain, send the following documents to the Eligibility Center:
  - \* Fully completed VA Form 26-1880
  - \* Proof of discharge, points statement or statement of service
  - \* Proof of payoff/transfer of title (HUD-1)



## Restoration of Entitlement – Back-to-Back Closings

- Lenders do not have to wait for new COE if veteran is selling an existing home guaranteed by VA loan
- Send documentation to RLC after closing on new VA loan:
  - \* Modified guaranty loan package
  - \* HUD-1 from previous home guaranteed by VA
  - \* Signed VA Form 26-1880 from veteran
  - \* DD 214 or other military documentation regarding service time and discharge



## One Time Restoration

- If veteran no longer has a VA loan, but still owns the same home, veteran can obtain a one time restoration
- Veteran must certify they will occupy house to be guaranteed by new VA loan
- Veteran needs to complete VA Form 26-1880 and document that they still own home
- Typical discharge documentation and 26-1880 must be sent to Eligibility Center



# VA Entitlement Codes

## VA Entitlement Codes:

- 01 World War II
- 02 Korean War
- 03 Post-Korean
- 04 Vietnam War
- 05 Entitlement Restored
- 06 Unremarried Surviving Spouse
- 07 Spouse of POW/MIA
- 08 Post-World War II
- 09 Post-Vietnam
- 10 Persian Gulf War
- 11 Selected Reserve

# Getting Started

## Documentation Required to Initiate a VA Home Loan





# Regulatory and VA Forms To Get VA Loan Started

The following documents should be obtained and forms signed by the veteran at application stage:

- ✓ An original or ACE Certificate of Eligibility
- ✓ A signed, purchase contract with escape clause
- ✓ Uniform Residential Loan Application (Freddie Mac Form 65 / Fannie Mae Form 1003 is acceptable)
- ✓ VA Form 26-1802a, HUD/VA Addendum to URLA
- ✓ Tri-merged credit report or residential mortgage credit report
- ✓ Escape Clause
- ✓ Good Faith Estimate
- ✓ Equal Credit Opportunity Certification



## Regulatory and VA Forms To Get VA Loan Started (cont.)

- ✓ General verification authorization form
- ✓ VA Form 26-8497, Request for VOE
- ✓ VA Form 26-8497a, Request for VOD
- ✓ Funding Fee Exemption Questionnaire
- ✓ VA Form 26-8937, Verification of VA Benefits
- ✓ Counseling Checklist for Military Homebuyers  
(only if on active duty)



# Alternative Verification Documents

Formal discussion about alternative verification forms will be in Chapter 6. These include:

- ✓ Paycheck stubs (covering past 1 full month)
- ✓ Bank and investment statement (past 2 months)
- ✓ W-2's (past 2 years)
- ✓ Signed Tax Forms (past 2 years)
- ✓ Verbal verification of employment (date of hire, position and probability of continued employment)



# Additional Documentation To Complete VA Loan File

There will be additional documents that need to be completed by the lender throughout the origination process. These will be discussed later in this training. Those documents include:

- ✓ Notice of Value
- ✓ VA Form 26-6393, Loan Analysis
- ✓ VA Form 26-1820, Certification of Loan Disbursement
- ✓ VA Form 26-0286, Loan Summary Sheet
- ✓ Specific Power of Attorney (if an Attorney-in-Fact is being used)
- ✓ HUD-1 Settlement Statement
- ✓ VA Funding Fee Receipt
- ✓ Automated Underwriting System Feedback Certificate and Documentation Certificate
- ✓ Divorce Decree
- ✓ Others...

# VA Appraisals





# VA Appraisals

Cleveland RLC Appraisal Mailbox:

[325cnv@vba.va.gov](mailto:325cnv@vba.va.gov)

This e-mail box should only be used  
for appraisal inquiries



# VA Appraisals

- Lenders must obtain a VA appraisal assignment through VA's WebLGY system
- Lenders cannot appraiser "shop" until they get an appraiser that they prefer
- By law, VA is required to maintain an appraiser panel to evaluate property values for a VA home loan
- Problem appraisers need to be dealt with. It is the lender's responsibility to identify problem appraisers by providing documented evidence of the problems experienced.
- The Cleveland RLC is aggressively monitoring appraiser quality and timeliness. Several appraisers have been removed in the past 24 months.

# How To Order A VA Appraisal

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home

File Edit View Favorites Tools Help

Veterans Information Portal - U.S. Department of Vet...

Search All VA Web Pages

Search

» Open Advanced Search

VA Home VIP Home Veteran Services Business About VA Media Room Locations Contact Us

**VETERANS INFORMATION PORTAL**

**VIP Sign In**

User Name:

Password:

User Registration

Lost Password

Change Password

Lost User Name

Help

**Announcements**

Date	Message
05/19/2011	5/19/11 - VIP working better now
05/16/2011	*** NEW *** Changes to webLGY menu
01/06/2011	VIP Helpdesk Hours - 8am to 5pm M-F
01/06/2011	User Registration - Please register only one time!

**Featured Items**

[Condo Reports](#) - Receive a customized report of VA registered Condominiums across the US.

[Builder Locator](#) - Receive a customized report of VA registered builders across the US.

[Specially Adaptive Housing](#) - Online Grant Application

[VONAPP \(Veterans On Line Applications\)](#) - Enables veterans to apply for benefits using the Internet

[AutoForm](#) - Application for Service-Disabled Veterans Insurance

[Publications](#) - Federal Benefits Publications for Veterans and Dependents

[Seamless Transition Home](#) - Benefits for returning service members of Operations Enduring Freedom and Iraqi

**Veteran Information**

Benefits Information

Operations Enduring Freedom and Iraqi Freedom

Compensation and Pension Benefits

Education Benefits (GI Bill)

Vocational Rehabilitation & Employment Services

Benefits for the surviving spouse, dependent children

Information about life insurance for service members and veterans

Burial Benefits

VBA Regional Office Home Pages

**Special Programs**

Homeless Veterans

Minority Veterans

Woman Veterans

Military Services

Section 508 Accessibility

**How Can I...**

Apply for a VA guaranteed Home Loan?

Locate a State VA Office?

Get Vocational-Educational counseling?

Get help starting a business?

How can I know more about VA Kids?

How can I file an Appeal?

Access health care benefits?

Locate a National Cemetery?

Obtain job retraining for disabled veterans?

Apply for Grant to make my home

VA Home Loans

Local intranet

100%

Enter User Name  
and Password in  
the VIP



Welcome, Mark

**My Services**

- My Profile
- White Pages

**Applications**

- Access Manager
- eAppraisal
- Email
- FileNet
- Loan Guaranty

**Reports**

- SAHSHA
- SIM
- TAS
- webELI
- webLGY
- CPB
- Life Insurance Online
- myHealtheVet
- VONAPP

**VETERANS INFORMATION PORTAL**

**Announcements**

Date	Message
12/14/2010	***NEW*** VIP down tonight (12/14) 7-8:30pm
12/03/2010	***NEW*** TAS functions have moved to webLGY
09/10/2010	Lenders! Please read!! Requested loan files MUST be submitted to VA within 15 days
05/28/2010	User Registration - Please register only one time!
05/28/2010	VIP helpdesk hours (8am to 5pm EDT, M-F)

[More News](#)

**Featured Items**

[Specially Adaptive Housing](#) - Online Grant Application  
[CPB](#) - Locate VA Registered Builders, Condominiums and/or PUDs across the US  
[VONAPP \(Veterans On Line Applications\)](#) - Enables veterans to apply for benefits using the Internet  
[AutoForm](#) - Application for Service-Disabled Veterans Insurance  
[Publications](#) - Federal Benefits Publications for Veterans and Dependents  
[Seamless Transition Home](#) - Benefits for returning service members of Operations Enduring Freedom and Iraqi

**Veteran Information**

Benefits Information  
 Operations Enduring Freedom and Iraqi Freedom  
 Compensation and Pension Benefits  
 Education Benefits (GI Bill)  
 Vocational Rehabilitation & Employment Services  
 Benefits for the surviving spouse, dependent children  
 Information about life insurance for service members and veterans  
 Burial Benefits  
 VBA Regional Office Home Pages

**Special Programs**

Homeless Veterans  
 Minority Veterans  
 Woman Veterans  
 Military Services  
 Section 508 Accessibility  
 Disabled Veterans  
 Veterans in Business

**VIP Application Request**

[Click Here To Submit a Request for Access](#)

**Loan Guaranty**

Property Management  
 Construction & Valuation  
 Real Estate Professionals  
 VA Monitoring Unit  
 Loan Production  
 Video Broadcasts

**Loan Guaranty Returning Users**

Lenders Handbook  
 Link to CAIVRS  
 VA Funding Fee Payment System  
 Military Pay and Housing Allowance charts  
 Fee Appraiser Updates  
 Contact VA Regional Loan Center  
 Eligibility Center Contact Info

Click on  
WebLGY

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 11.1

Help Mark Jamison December 15, 2010

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

**Recently Accessed Loans**

**Available Functionalities**

**Obtain New VA loan number (LIN) for IRRRL**  
[Order IRRRL](#)

**Obtain New VA loan number (LIN)**  
[Request Appraisal](#)

**Loan Links**  
[Enter New Loan](#)  
[Loan Inquiry](#)  
[Enter LIN](#)  
[Advanced Search](#)  
[Funding Fee Inquiry](#)  
[Lender ID by Date](#)  
[Veteran SSN / Service Number](#)  
[Loan Status Inquiry](#)

[Process Old Loan](#)  
[Test Loan Analysis](#)  
[Bulk Paid in Full](#)

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[Medicare Tables](#)  
[Maintain Loan Limits](#)  
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[Condo](#)  
[Search Condos](#)  
[New Condo](#)  
[Maintain Station POC Data](#)  
[Add/Maintain/Search GEO Areas](#)

**Loan Processing Workbuckets**  
[RLC 325 - Cleveland](#)

**C & V Workbuckets**  
[RLC 325 - Cleveland C & V](#)

Click on "Request Appraisal"

Done

Local intranet 100%

Start | Inbox - Mi... | H:\LGY\26... | Microsoft P... | Microsoft E... | Veterans I... | WebLGY - ...

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

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HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

Request Appraisal

**Request Appraisal/LIN Only**

This function assigns a loan number and appraiser to a single property case. Liquidation cases can be initiated with this screen.  
**Required/Mandatory Fields are denoted with \***

**Select Appraisal Type \***

**Origination Appraisals**

\* If this request is for an Interest Rate Reduction Refinancing (IRRRL) loan, obtain a new VA loan number with the order IRRRL function.  
A VA appraisal is not required for an IRRRL loan.

☐ LAPP -- Lender Appraisal Processing Loans

☐ IND -- Individual CRV

☐ MBL -- Manufactured Home WITHOUT LAND

**Liquidation appraisals**

☐ LGI -- Liquidation of a VA Guaranteed Loan

☐ LPL -- Liquidation of a Portfolio Loan

☐ SAP -- Servicer Appraisal Processing Loans

**LIN Only**

☐ NMH -- Manufactured Home Considered Personal Property

Submit

Click on LAPP if the lender has authority to review VA appraisals.  
Click on IND if VA needs to review appraisal.

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

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HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

Respondent Burden: 12 Minutes

### Request Single Property Appraisal: LAP Case

#### 1. Requester Information

Requester Identification\*

Requester Identification Number\*

Sponsor's Identification Number   
(Required if Requester is NON-LAPP Approved)

1B. Requester Phone Number, Extension, Name\*   
(Please provide full 10-digit phone number, Extension followed by the Requester's last name)

1C. E-mail Address\*   
(Address where notification will be sent when Appraisal Report is uploaded. Separate it by ';' for multiple emailIds.)

1D. Institution's Case Number

#### 5. Firm or Person Making Request/Application

Name

Address Line One

Address Line Two

City

State

Zip  -

#### 6. Applicable Lender Point of Contact(POC)

Name\*

Phone Number\*

E-Mail Address\*

#### 7. Property Facts

Complete all mandatory data fields denoted by a red asterisk

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

Live Search

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 11.1

Help

Mark Jamison  
December 15, 2010

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

3. Property Information

3A. Condo Appraisal?

Note: Condo must be approved for VA financing purposes prior to loan closing.  
Please enter condo name to search our database for VA Approved Condo

☐ No Condo Indicator

Condo ID

Condo/PUD Builder

3B. Name of Owner

3C. Property Address

Street Number\*

Address One Text\*

Address Two Text

City\*

State\*

County\*

7B. Utilities

Electric

Water

Gas

Sewer

7C. Equipment

☐ Clothes Dryer

☐ Clothes Washer

☐ Range/Oven

☐ Refrigerator

☐ Dishwasher

☐ Garbage Disposal

☐ Vent Fan

☐ WW Carpet

7D. Building

Status\*

☐ Proposed

☐ Existing

☐ Built less than one year and never occupied

Builder ID

Done

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Start Inbox - Micros... H:\LGY\261\M... Microsoft Pow... Veterans Infor... WebLGY - VA ... 8:33 AM

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

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WebLGY - VA Loan Guaranty System

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HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

**Verify Property Address**

3D. Legal Description of the Property\*

3E. Title Limitations and Restrictive covenants

3F. Mineral Rights Reserved?

Please Explain

3G. Annual Real Estate Taxes

3H. Sale or Refinance?\*

Sale or Refinance Amount \$

Condo/PUD Builder

**7E. Builder Information**

☐ No Builder ID

Builder Name

Address One

City, State and Zip Code

Phone Number

Construction completion Date

Building Type

Factory Fabricated

Number of Buildings

Number of Living Units\* 1 Family Unit

Street Access

Street Maintenance

**8. Warranty/Warrantor Information**

Done

Local intranet 100%

Start Inbox - Micros... H:\LGY\261\M... Microsoft Pow... Veterans Infor... WebLGY - VA ... 8:34 AM

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 11.1

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HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

3I. Proposed Sale contract Provided?

3J. Is Buyer Purchasing Lot Separately?

**3K. Property Occupancy Information**

Property Occupancy

Rent per Month

Name of Occupant

Occupant Phone Number

**3L. Broker Information**

Name

Phone Number

**3M. Keys Location Information**

Address

Telephone

**4. Leasehold Cases**

**8. Warranty/Warrantor Information**

**8A. Warranty Information**

Construction Warranty Included?

Name of Warranty Program   
(Required if Construction Warranty Included? is 'Yes')

Expiration Date   
(Required if Construction Warranty Included? is 'Yes')

**8B. Warrantor Information**

Warrantor Name

Address 1

City, State and Zip Code

Telephone Number

**9. Purchaser Information**

☒ Purchaser Exists  
(The following fields are required if Purchaser Exists Indicator is selected.  
First Name, Last Name, First Address line, City, State and 5 digit Zip Code)

Name

Done

Local intranet 100%

Start Inbox - Micros... H:\LGY\261\M... Microsoft Pow... Veterans Infor... WebLGY - VA ... 8:34 AM

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

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HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

Address

Telephone

**4. Leasehold Cases**

Lease is

Expires  (MM/YYYY)

Annual Ground Rent

**9. Purchaser Information**

☒ Purchaser Exists  
(The following fields are required if Purchaser Exists Indicator is selected.  
First Name, Last Name, First Address line, City, State and 5 digit Zip Code)

Name

Address One Text

Address Two Text

City

State

Zip Code  -

**Certification For Submissions To VA**

On receipt of "Notice of Value" of advice from the Department of Veterans Affairs that a "Notice of Value" will not be issued, we agree to forward to the appraiser the approved fee which we are holding for this purpose.

WARNING: Warning: Section 1010 of Title 18, U.S.C. provides: "Whoever for the purpose of ...influencing such Administration ...makes passes, utters or publishes any statement knowing the same to be false...shall be fined not more that \$5,000 or imprisoned not more than two years or both.

☐ **Acceptance of Responsibility**

Done

Local intranet 100%

Start | Inbox - Micros... | H:\LGY\261\M... | Microsoft Pow... | Veterans Infor... | WebLGY - VA ... | 8:34 AM

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 11.1

Help Mark Jamison December 15, 2010

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

State

Zip Code

**Certification For Submissions To VA**

On receipt of "Notice of Value" of advice from the Department of Veterans Affairs that a "Notice of Value" will not be issued, we agree to forward to the appraiser the approved fee which we are holding for this purpose.

WARNING: Warning: Section 1010 of Title 18, U.S.C. provides: "Whoever for the purpose of ...influencing such Administration ...makes passes, utters or publishes any statement knowing the same to be false...shall be fined not more that \$5,000 or imprisoned not more than two years or both.

☐ **Acceptance of Responsibility**

By selecting the CHECKBOX above, you are certifying that you are requesting an appraisal by the VA appraiser to be assigned automatically by LGY and you are aware that you are responsible for any charges incurred up to the full amount of the approved appraisal fee as a result of this assignment. The assigned appraiser will automatically receive an e-mail notification of the assignment and may begin to process this appraisal assignment. Please provide any supporting documentation to the appraiser as soon as possible. A copy of this e-mail will be sent to the address you entered on the assignment screen for your records. If a conflict exists with the assigned appraiser, please notify the Regional Loan Center of jurisdiction immediately.

Submit Reset

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[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
[FirstGov](#) | [White House](#) | [USA Freedom Corps](#)

Reviewed/Updated Date: February 15, 2006

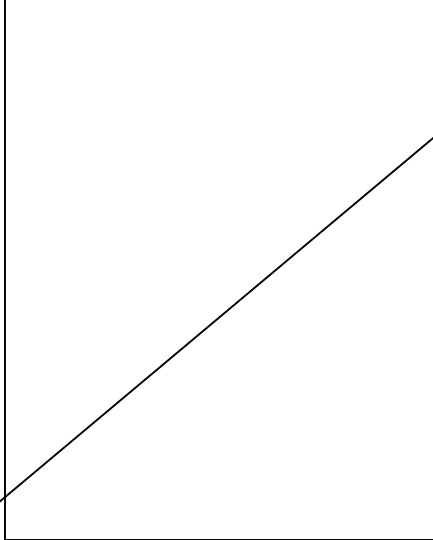
Done

Local intranet 100%

Start Inbox - Micros... H:\LGY\261\M... Microsoft Pow... Veterans Infor... WebLGY - VA ... 8:34 AM

# How To Order A VA IRRRL Loan Number

### Recently Accessed Loans



### Available Functionalities

**Obtain New VA loan number (LIN) for IRRRL**  
[Order IRRRL](#)

#### Loan Links

[Enter New Loan](#)  
[Loan Inquiry](#)  
[Enter LIN](#)  
[Funding Fee Inquiry](#)  
[Lender ID by Date](#)  
[Veteran SSN / Service Number](#)  
[Loan Status Inquiry](#)  
[Process Old Loan](#)  
[Test Loan Analysis](#)  
[Bulk Paid in Full](#)

#### Eligibility Links

[Create Record](#)  
[Certificate of Eligibility](#)  
[Certificate of Veteran Status](#)  
[Surviving Spouse](#)  
[Search](#)  
[Prior Loan Validation](#)  
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#### Veteran

[Correct Obligor](#)  
[Veteran SSN / Service Number](#)  
[Update Person Data](#)

#### Workbuckets

[RLC 325 - Cleveland](#)

#### Administration

[Edit Lookup List](#)  
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[Residual Income Calculations](#)  
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[Medicare Tables](#)  
[Maintain Loan Limits](#)  
[Maintain RLC Data](#)  
[Maintain Station POC Data](#)


Click on "Order IRRRL"

### WARNING

**It is a Federal crime to knowingly provide false or misleading information in order to establish eligibility for the home loan program.**

[Español](#) | [VA Forms](#) | [Facilities Locator](#) | [Contact the VA](#) | [Frequently Asked Questions \(FAQs\)](#)  
[Privacy Policy](#) | [Web Policies & Important Links](#) | [Annual Performance and Accountability Report](#)  
[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
[FirstGov](#) | [White House](#) | [USA Freedom Corps](#)

<https://webgly.vba.va.gov/WebLGY/OrderIRRRL.do>

 Trusted sites

 100%

## Order IRRRL Case

## Order IRRRL Case

Please enter either the LIN of the current Loan being refinanced with an IRRL, or the Veterans SSN. In every case we also require that you put in the veterans birth date (month and year only in MM/YYYY format.)

To locate a previously ordered LIN, please login to TAS and use the "Locate Loan Record" function under the "All Users" menu.

SSN

Original LIN

Veteran Birth  
Month/Year \*

Submit

Reset

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[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
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Reviewed/Updated Date: February 15, 2006

Complete  
Required  
Fields



HOME

LOAN ▾

VETERAN ▾

ELIGIBILITY ▾

WORKBUCKETS ▾

ADMIN ▾

CONTACT RLC

## Veteran Name

MARVIN HALL

## Property Address

Number / Street 2224 CROCUS STREET

City PORTAGE

State Indiana

ZIP 46368 -

County PORTER

## Requester Information

Original LIN 26-26-6-0652314

Requester Identification Indicator

Lender ID

Other Requester ID

Sponsor Lender ID

Requester Name \*

Requester Phone \*

Requester Phone Extension



## Order IRRRL Case

### IRRRL Ordered Successfully

#### IRRRL loan Information

**New IRRRL LIN** 26-26-6-0000000000

**Original LIN** 26-26-6-0650000000

**Veteran Name** [REDACTED]

**Property Address** [REDACTED]  
PORTAGE , Indiana 46368

**County** PORTER

**Requester Identification Indicator** Lender

**Lender ID** 5655250000

**Other Requester ID**

**Sponsor Lender ID**

**Requester Name** MARK

**Requester Phone** (800)729-5772

**Requester Phone Extension**

**Order New IRRRL**



# Lender Appraisal Processing Program (LAPP)

- LAPP allows lenders with automatic authority to review VA appraisals and issue a VA Notice of Value (NOV)
- The designation for the individuals approved to issue LAPP NOV's is called a Staff Appraisal Reviewer (SAR)
- Approximately 94% of all NOV's are issued under the LAPP program



# LAPP Property Eligibility

## Eligible Properties

- Existing Single Family Homes
- VA Approved Condominiums and Townhouses
- New Construction
- Proposed / Under Construction
- Manufactured Homes

## Ineligible Properties

- Master Appraisals of Planned Unit Developments
- Partial Releases of Security
- HUD Appraisal Conversion



# Role Of The Staff Appraisal Reviewer (SAR)

- Issues the Notice of Value on behalf of automatic lenders
- Verifies whether VA appraiser's Uniform Residential Appraisal Report is completed properly
- Reviews appraiser's methodology
- Ensures a sales approach was used unless property has more than 1 unit (income approach)
- Ensures that comparables are timely
- Verifies compliance with VA and USPAP guidelines





# Role Of The Staff Appraisal Reviewer (SAR)

- Ensures appraisal is done timely
- Reviews sales/financing incentives are accounted for in appraised value
- Ensures that VA appraiser is not just accommodating purchase price
- Mandates required photographs of subject home and comparables
- Ensures that comparables are of like consistency (comparing a ranch style home to other ranch style homes, etc.)



# Who Can Become A Staff Appraisal Reviewer (SAR)?

- Must be a full time employee of the company
- Must have at least 3 years experience involving the review of appraisals or credit underwriting
- Must be knowledgeable of appraisal techniques, realty practices, collecting real estate data and recognition of deviations from uniform appraisal requirements
- 3 years' HUD Direct Endorsement appraisal reviewer experience satisfies requirement
- Must take VA Central Office mandated LAPP training at one of the annual VA training sites, or obtain training from a VA Central Office approved "Super SAR"



# How To Become A Staff Appraisal Reviewer (SAR)

Send resume, LAPP application and \$100 check payable to Department of Veterans Affairs to:

Department of Veterans Affairs  
Administrative and Loan Accounting Center (105/241A)  
Attn. Agent Cashier  
1615 Woodward Street  
Austin, TX 78772-0001

LAPP application and requirements can be found in VA Pamphlet 26-7, Chapter 15.



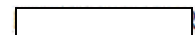




# The Notice of Value (NOV)

- After the COE, this is the most important document in VA file
- Mandatory for all VA loans except IRRRL's
- Any proposed change to appraised value must be reviewed by RLC
- Notice of Value is good for 6 months (extensions only in rare instances)
- An extension to NOV expiration date must be done by RLC
- Maximum loan is the lesser of the purchase price or value provided on NOV
- SAR is mandated to send a copy of NOV to veteran within 5 days of receipt of appraisal
- All NOV's must be issued through WebLGY

  
**LENDER'S NOTICE OF VALUE**

06/12/2009

LENDER LOAN NO: VA CASE NO: 25-25-6-APPRaisal REVIEWER: PROPERTY ADDRESS:   
BEAVERCREEK, OH 45432Dear MS. :

The above property has been appraised by a fee appraiser assigned by the VA Regional Loan Center in CLEVELAND, OH. On 06/12/2009, our VA-authorized appraisal reviewer personally reviewed the fee appraiser's report and determined the property's estimated reasonable value to be \$146,000. The maximum repayment period for a loan to purchase this property is 30 years.

The VA appraisal was made to determine the reasonable value of the property for loan purposes. It must not be considered a building inspection. Neither VA nor the lender can guarantee that the home will be satisfactory to you in all respects or that all equipment will operate properly. A thorough inspection of the property by you or a reputable inspection firm may help minimize any problems that could arise after loan closing. In an existing home, particular attention should be given to plumbing, heating, electrical and roofing components.

**REMEMBER: VA GUARANTEES THE LOAN, NOT THE CONDITION OF THE PROPERTY.**

- (x) **1. ENERGY CONSERVATION IMPROVEMENTS.** You may wish to contact the utility company or a reputable firm for a home energy audit to identify needed energy efficiency improvements to this previously occupied property. Lenders may increase the loan amount to allow buyers to make energy efficiency improvements such as: Solar or conventional heating/cooling systems, water heaters, insulation, weather-stripping/caulking and storm windows/doors. Other energy-related improvements may also be considered. The mortgage may be increased by up to \$3,000 based solely on documented costs; or up to \$6,000 provided the increase in monthly mortgage payment does not exceed the likely reduction in monthly utility costs; or more than \$6,000 subject to a value determination by VA.
- (x) **2. WOOD-DESTROYING INSECT INFORMATION**
- (x) **a. Inspection Report (Existing Construction).** The property must be inspected at no cost to you by a qualified pest control operator using Form NPMA-33, or other form acceptable to VA. Any reported infestation or structural damage affecting the value of the property must be corrected to VA's satisfaction prior to loan settlement. You must acknowledge receipt of a copy of the inspection report in the space provided on the form.
- b. Soil Treatment Guarantee (Proposed or Under Construction).** A properly completed Form NPCA-99a is required. If the soil is treated with a termiticide, a



# Builder Registration

- All VA new construction or proposed construction less than 1 year old / never occupied requires a VA registered builder
- Registration documents can be faxed to: (216) 522-3108
- Required registration documents:
  - \* **Builder Information and Certification (Sample can be found in VA Pamphlet 26-7, Chapter 10, Figure 1)**
  - \* **VA Form 26-421 (Equal Employment Opportunity Certification)**
  - \* **VA Form 26-8791 (VA Affirmative Marketing Certification)**





# PUD / Condo Issues

- Planned Unit Developments (PUD's) do not need to be approved anymore
- Condominiums and townhouses must either be approved by VA or have a HUD approval date prior to December 7, 2009
- VA does not allow “site” condominiums (typical in Michigan)
- Whole condo/townhouse development has to be approved
- If development was approved, make sure the Phase where property is located was approved
- HOA fees must be subordinate to VA's first mortgage in all instances (including to obtain sheriff's deed)



# Approved Condo/Pud/Builders

A list of approved VA condominiums, townhouses, PUD's and Builders can be obtained at:

<https://vip.vba.va.gov>

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home

File Edit View Favorites Tools Help

Veterans Information Portal - U.S. Department of Veterans Affairs

VA Home VIP Home Veteran Services Business About VA Media Room Locations Contact Us

**VETERANS INFORMATION PORTAL**

**VIP Sign In**

User Name:

Password:

**User Registration**

**Lost Password**

**Change Password**

**Lost User Name**

**Help**

**Announcements**

Date	Message
01/06/2011	User Registration - Please register only one time!
01/06/2011	VIP Helpdesk Hours - 8am to 5pm M-F

**Featured Items**

- [Condo Reports](#) - Receive a customized report of VA registered Condominiums across the US.
- [Builder Locator](#) - Receive a customized report of VA registered builders across the US.
- [Specially Adaptive Housing](#) - Online Grant Application
- [VONAPP \(Veterans On Line Applications\)](#) - Enables veterans to apply for benefits using the Internet
- [AutoForm](#) - Application for Service-Disabled Veterans Insurance
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- [Seamless Transition Home](#) - Benefits for returning service members of Operations Enduring Freedom and Iraqi Freedom

**Veteran Information**

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- Benefits for the surviving spouse, dependent children
- Information about life insurance for service members and veterans
- Burial Benefits
- VBA Regional Office Home Pages

**Special Programs**

- Homeless Veterans
- Minority Veterans
- Woman Veterans
- Military Services
- Section 508 Accessibility
- Disabled Veterans
- Veterans in Business

**How Can I...**

- Apply for a VA guaranteed Home Loan?
- Locate a State VA Office?
- Get Vocational-Educational counseling?
- Get help starting a business?
- How can I know more about VA Kids?
- How can I file an Appeal?
- Access health care benefits?
- Locate a National Cemetery?
- Obtain job retraining for disabled veterans?
- Apply for Grant to make my home handicap accessible?

VA Home | Privacy Policy | FOIA | Web Policies | No FFAR Act Data | Site Index | USA.gov | White House | National Resource Directory |

http://www.va.gov/ Local intranet 100%

Click on  
Required  
Link

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch

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Veterans Information Portal - U.S. Department of Vet...

Open Advanced Search

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VETERANS INFORMATION PORTAL

VIP Sign In

User Name: Password:

User Registration

Lost Password

Change Password

Lost User Name

Help

### Request a Customized Condo Report

- Select the report type:  
☒ Summary ☐ Details  
 (A Summary report only lists Condo names and IDs whereas a Detail report includes status and address information.)
- Retrieve only approved Condos?  
☐
- Enter the Condo name or ID (use \* as appropriate).  
 Name:  ID:
- Enter the Regional Office with which the Condo is registered.
- Enter the following information about the Condo location.  
 City:   
 State:   
 County:

Submit

#### Helpful Hints

The ID field must have 6 digits, no asterisk (\*) allowed. Use leading zeroes if needed.

For an exact text match, enter the spelling and correct number of blank spaces.

Required fields are shown in bold red type. All criteria supplied for one report will be used to retrieve the records.

If no record matches all the criteria, no records will be shown on the report: leave some fields blank or use asterisk (\*) wildcards:

An asterisk (\*) can be entered on the Name fields to represent multiple characters instead of an exact text match. Wildcards are not allowed in the City and County fields. You may place the asterisk anywhere in the phrase. You may use more than one asterisk in a field.

When too many records are returned by a search than would fit on the display page, links by the first letter of the name are shown at the beginning of the report.

Large reports may take a couple of minutes to process.

#### Condo Report:

The Summary report lists the Condo name and ID, as well the Record Type (Condo). You may click on the Condo name to view the details of that dwelling complex.

The Detail report lists the Condo name and ID, the address, the Status and processing dates.

A Suggested Search Hint Is To Put The First 3 Letters Of The Condo Development And Two Asterisks (\*\*)

Search Engine Will Find All Approved Condos That Start With Those Letters



# Manufactured Homes

- Must meet VA's minimum property standards of safe, sanitary and sound
- Single wide or double wide acceptable
- Must be permanently affixed to a foundation (no mobile homes in rental parks)
- Must have be accompanied with a foundation plan
- Must be recorded as real estate with a deed (not with Bureau of Motor Vehicles)
- VA does not require manufactured home identification plate on home





# Appraiser Expectations

- Appraisers must never charge more than the allowable appraisal fee as approved by VA
- If VA appraiser does charge more, SAR is expected to notify VA and remit only allowable appraisal fee as payment
- VA appraisers can not charge for the appraisal prior to providing the Uniform Residential Appraisal Report (URAR)
- Appraisers are expected to submit VA appraisal report within normal conventional loan timeframes (approx. 5 – 7 days)
- VA appraisers are not home inspectors. VA recommends that veterans obtain and pay for a private home inspection.
- SAR's are required to notify VA RLC of problem appraisers (with supporting documentation)
- Appraiser must always enter proposed home (drive-by appraisals never acceptable)



# Issues Noted By VA Appraisers

- Lenders not properly documenting VA Form 26-1805 with point of contact of person who will be paying appraisal fee
- Lenders not paying appraisers within 30 days of being invoiced
- SAR's questioning appraiser logic without having experience in certain markets



## Construction and Valuation (C&V) Questions – Cleveland RLC

- Telephone: (800) 729-5772, option #2
- Fax: (216) 522-3108
- E-mail: [325cnv@vba.va.gov](mailto:325cnv@vba.va.gov)
- Please contact C&V directly with appraisal, builder, PUD or condominium questions. Do not call Loan Production (option #4)

# VA Funding Fees





# Funding Fee Basics

- Funding fee can always be rolled into 100% financing (unless loan is at maximum conforming loan limit)
- Funding fee is amortized over life of loan (minimizes monthly impact versus PMI)
- No refund given if initial VA loan is paid off in the first year (unlike FHA loans that pre-pay first year's mortgage insurance)
- Funding fees are used to cover liquidation losses to VA
- Not all veterans owe a funding fee





## Funding Fee Basics (cont.)

- Funding fee can be reduced with a 5% or 10% down payment
- Land equity for new construction can be used to reduce funding fee provided it accounts for at least 5% or 10% of equity
- Borrowed funds can be used to reduce funding fee (must account for borrowed funds in debt ratio)
- Funds used to make up the difference between appraisal and loan amount can be used to reduce the funding fee
- Funding fee may be tax deductible



# Which Veterans Are Exempt From A VA Funding Fee?

The following veterans are exempt from paying a funding fee:

- Veterans receiving at least 10% VA compensation for service-connected disabilities
- Veterans who would be entitled to receive VA compensation for service-connected disabilities if they did not receive retirement pay from the military
- Veterans who are rated by VA as eligible to receive compensation as a result of a pre-discharge disability examination and rating
- Veterans entitled to receive VA compensation, but who are not presently in receipt because they are on active duty
- Surviving spouses of veterans who died as a result of service-connected disabilities or who died in combat



# How To Determine Exempt Status

- Lenders should inquire with veterans as to their VA exempt status
- This “Funding Fee Exemption Questionnaire” form is typically on corporate letterhead
- The questionnaire form must ask the veteran 4 questions





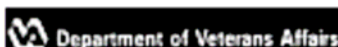
# Debt Questionnaire Format

- Are you currently receiving VA disability payments?
- Have you received VA disability payments in the past, but had those benefits discontinued because of active duty service?
- Would you be receiving VA disability payments if you did not receive retired pay
- Are you a surviving spouse of a veteran who died on active duty or as a result of a service-connected disability
- Have you filed a claim for VA disability benefits prior to discharge from active duty service



## VA Form 26-8937 - Verification of VA Benefit

- If veteran answered “yes” to any question send VA Form 26-8937 to VA
- Send to RLC that has jurisdiction over property (fax number for each RLC in training binder Appendix C)
- If the veteran answered “No” to all of the questions, you **do not** need to send VA Form 26-8937 to VA
- For all properties within the jurisdiction of the Cleveland RLC, if you send in VA Form 26-8937 and the veteran is not exempt, you will not received a signed VA Form 26-8937 back from our office



# VERIFICATION OF VA BENEFITS

**PRIVACY ACT NOTICE:** The VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 5, Code of Federal Regulations 1.526 for routine use (i.e., information concerning a veteran's indebtedness to the United States by virtue of a person's participation in a benefit program administered by VA may be disclosed to any third party, except consumer reporting agencies) as identified in the VA system of records, 51 VA25, Loan Guaranty House, Condominiums and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records and Veterans Loan Applicant Records - VA, and published in the Federal Register. Your obligation to respond is required to obtain or retain benefits. Giving us your SSN without information is voluntary. Refusal to provide your SSN by itself will not result in the denial of benefits. The VA will not deny an individual benefits for refusing to provide his or her SSN unless the disclosure of the SSN is required by a Federal Statute of law in effect prior to January 1, 1975, and still in effect.

TO: NAME AND ADDRESS OF LENDER (Complete mailing address including ZIP Code)		<b>INSTRUCTIONS TO LENDER</b> Complete this form ONLY if the veteran/applicant: <ul style="list-style-type: none"> <li>is receiving VA disability payments, or</li> <li>has received VA disability payments, or</li> <li>would receive VA disability payments had he or she not retired, or</li> <li>is a surviving spouse of a veteran who died on active duty or as a result of a service-connected disability</li> <li>has filed a claim for VA disability benefits prior to discharge from active duty service</li> </ul> Complete Items 1 through 10. Send the completed form to the appropriate VA Regional Loan Center where it will be processed and returned to the Lender. The completed form must be retained as part of the lender's loan origination package.	
1. NAME OF VETERAN (First, middle, last)		2. CURRENT ADDRESS OF VETERAN	
3. DATE OF BIRTH			
4. VA CLAIM FOLDER NUMBER (C-File No., if known)	5. SOCIAL SECURITY NUMBER	6. SERVICE NUMBER (If different from Social Security Number)	
7. I HEREBY CERTIFY THAT I <input type="checkbox"/> DO <input type="checkbox"/> DO NOT have a VA benefit-related indebtedness to my knowledge. I authorize VA to furnish the information listed below.			
8. I HEREBY CERTIFY THAT I <input type="checkbox"/> HAVE <input type="checkbox"/> HAVE NOT filed a claim for VA disability benefits prior to discharge from active duty service (I am presently still on active duty.)			
9. SIGNATURE OF VETERAN		10. DATE SIGNED	
<b>FOR VA USE ONLY</b>			
<input type="checkbox"/> The above named veteran does not have a VA benefit-related indebtedness. <input type="checkbox"/> The veteran has the following VA benefit-related indebtedness:			
TYPE OF DEBT(S)		AMOUNT OF DEBT(S)	
TERM OF REPAYMENT PLAN (If any)			
<input type="checkbox"/> Veteran is exempt from funding fee due to receipt of service-connected disability compensation of \$ _____ monthly. (Unless checked, the funding fee receipt must be remitted to VA with VA Form 26-1020, Report and Certification of Loan Disbursement)			
<input type="checkbox"/> Veteran is exempt from funding fee due to entitlement to VA compensation benefits upon discharge from service.			
<input type="checkbox"/> Veteran is not exempt from funding fee due to receipt of non-service-connected pension of \$ _____ monthly. LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA.			
<input type="checkbox"/> Veteran has been rated incompetent by VA. LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA.			
<input type="checkbox"/> Insufficient information. VA cannot identify the veteran with the information given. Please furnish more complete information, or a copy of a DD Form 214 or discharge papers. If on active duty, furnish a statement of service written on official government letterhead, signed by the adjutant, personnel officer, or commanding officer. The statement should include name, birth date, service number, entry date and time lost.			
SIGNATURE OF AUTHORIZED AGENT		DATE SIGNED	
Respondent Burden: We need this information to determine, establish, or verify your eligibility for VA Loan Guaranty Benefits and to determine if you are exempt from paying the VA Funding Fee. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at <a href="http://www.whitehouse.gov/omb/eo12812/mb0130101.html">www.whitehouse.gov/omb/eo12812/mb0130101.html</a> . If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.			

4. VA CLAIM FOLDER NUMBER (C-File No., if known)	5. SOCIAL SECURITY NUMBER	6. SERVICE NUMBER (If different from Social Security Number)
--	---------------------------	--

7. I HEREBY CERTIFY THAT I ☐ DO ☐ DO NOT have a VA benefit-related indebtedness to my knowledge. I authorize VA to furnish the information listed below.

8. I HEREBY CERTIFY THAT I ☐ HAVE ☐ HAVE NOT filed a claim for VA disability benefits prior to discharge from active duty service (I am presently still on active duty.)

9. SIGNATURE OF VETERAN	10. DATE SIGNED
-------------------------	-----------------

### FOR VA USE ONLY

☐ The above named veteran does not have a VA benefit-related indebtedness  
☐ The veteran has the following VA benefit-related indebtedness

#### VA BENEFIT-RELATED INDEBTEDNESS (If any)

TYPE OF DEBT(S)	AMOUNT OF DEBT(S)

TERM OF REPAYMENT PLAN (If any)

- 1 ☐ Veteran is exempt from funding fee due to receipt of service-connected disability compensation of \$ \_\_\_\_\_ monthly. (Unless checked, the funding fee receipt must be remitted to VA with VA Form 26-1820, Report and Certification of Loan Disbursement)
- 2 ☐ Veteran is exempt from funding fee due to entitlement to VA compensation benefits upon discharge from service.
- 3 ☐ Veteran is not exempt from funding fee due to receipt of nonservice-connected pension of \$ \_\_\_\_\_ monthly. LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA.
- 4 ☐ Veteran has been rated incompetent by VA. LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA.
- 5 ☐ Insufficient information. VA cannot identify the veteran with the information given. Please furnish more complete information, or a copy of a DD Form 214 or discharge papers. If on active duty, furnish a statement of service written on official government letterhead, signed by the adjutant, personnel officer, or commanding officer. The statement should include name, birth date, service number, entry date and time lost.

SIGNATURE OF AUTHORIZED AGENT	DATE SIGNED
-------------------------------	-------------

Respondent Burden: We need this information to determine, establish, or verify your eligibility for VA Loan Guaranty Benefits and to determine if you are exempt from paying the VA Funding Fee. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at [www.whitehouse.gov/library/omb/OMB/IVC.htm#VA](http://www.whitehouse.gov/library/omb/OMB/IVC.htm#VA). If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.



# VA Form 26-8937 Processing Problems Noted

- VA receives form with no veteran signature on either the 26-8937 or authorization form
- 26-8937 is illegible or incomplete
- 26-8937 is faxed to RLC in wrong jurisdiction
- Lender fails to submit 26-8937 for a veteran who should be exempt
- Lender does not submit loans for prior approval when instructed to do so on 26-8937



# VA Entitlement Codes

## VA Entitlement Codes:

- 01 World War II
- 02 Korean War
- 03 Post-Korean
- 04 Vietnam War
- 05 Entitlement Restored
- 06 Unremarried Surviving Spouse
- 07 Spouse of POW/MIA
- 08 Post-World War II
- 09 Post-Vietnam
- 10 Persian Gulf War
- 11 Selected Reserve



# VA Funding Fee Percentages

## Active Duty

First Time Use: 2.15%  
Subsequent Use: 3.30%  
5% Down Payment: 1.50%  
10% Down Payment: 1.25%

IRRRL: .50%  
Assumption: .50%

## Reserve/National Guard (Entitlement Code '11' Only)

First Time Use: 2.40%  
Subsequent Use: 3.30%  
5% Down Payment: 1.75%  
10% Down Payment: 1.50%

IRRRL: .50%  
Assumption: .50%



# How To Calculate Funding Fees

VA funding fees are calculated based on the entitlement code on the COE and down payment, if applicable. Example #1:

- \$100,000 purchase price / COE Entitlement Code is “10” with no down payment:
- $\$100,000 \times 2.15\% = \$2,150$
- \$102,150 = maximum VA loan amount (without EEM's)
- \* Entitlement Code “10” means veteran is a first time user who served in the Persian Gulf War



# How To Calculate Funding Fees

## Example #2:

- \$100,000 purchase price / COE Entitlement Code is “5” with a 5% down payment:
  - $\$95,000 \times 1.50\% = \$1,425$
  - $\$96,425 = \text{maximum VA loan (without EEM's)}$
- \* Reduced funding fee due to 5% down payment



# How To Submit VA Funding Fees

All VA funding fees are paid through VA's Funding Fee Payment System (FFPS) at:

**[www.pay.gov/va](http://www.pay.gov/va)**



# Funding Fee Refunds

You can apply for a refund of a funding fee through the Funding Fee Payment System:

- Go to Refunds Link
- Enter required documentation
- VA approves directly online



# Typical Reasons For VA Funding Fee Refund

- Lender charged the wrong funding fee amount, i.e. 3.3% for a first-time borrower
- Lender actually paid VA funding fee on a loan that did not close
- Lender charged a funding fee on an exempt veteran
- Lender failed to include down payment for reduced funding fee
- Lender charged a funding fee on a veteran who was not exempt at the time of closing, but has since received at least a 10% disability rating with an effective date prior to the date the loan closed



# Funding Fee Refund Issues

- Lender is the only one who can obtain the refund because their VA lender i.d. was used to input original data
- Lender who submitted the VA funding fee is required to apply for the refund on behalf of the veteran
- VA issues refund via ACH transaction only (no more Treasury checks)
- Refund typically issued in 3 – 5 days
- If veteran financed VA funding fee, it must be applied to principal balance (vet cannot receive back in cash)
- Lenders may be required to forward funding fee refund to their investor if they do not service the loan themselves



# How To Request A Funding Fee Refund

- VA reviews and approves refunds on a regular basis (approximately every 2 – 3 days)
- The following screen shots are provided as instruction on how to obtain a VA funding fee refund



Move to the  
Veteran Data  
section of the  
payment request  
and select the  
"Correct" Options.

Input reason for  
refund and other  
required data


Payment Request Management - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Go

Address: https://qa.va.pay.gov/va/payment/fullRefund.do

doukir3 Welcome Screen | Change Password | Log Out



**Payments**

- Create Payment Request
- Search Payment Requests
- Search Refund Requests

**Users**

- Create User
- Search Users

**Lenders**

- Register Lender
- Search Lenders

**CPU Files**

- Search File Status
- Search Rejected Transactions

**System Administration**

- Update Broadcast Message

**Reports**

- View Reports List

**Public Resources**

- Contact Information/ Forgot Password
- Privacy Policy
- Current Message
- FAQs
- Rules of Behavior

**Payment Request Summary**

[Abort](#) | [Print](#)

**System Message:**

- This function is only used for a duplicate payment or a loan that did not close. If you want a Full Refund because a veteran is Exempt, please use the Correct feature and mark the veteran as Exempt.

**Additional Calculated Payment Amount**

Total Loan Amount: \$0	Entire Funding Fee included in Total Loan Amount.
Funding Fee Amount: -\$744.58	No Energy Improvement Funds included in Total Loan Amount.
Late Fee: -\$0.60	
Interest Due: -\$0.94	
Payment Amount: -\$746.12	

Full Refund Reason:

Refund Reason:

Refund Destination:

Vendor Code:

**Payment Request Data**

☐ VA Loan Number: 40-40 -6 -0170001

Lender ID:

Lender Name:

Lender Loan Numbers:

**Veteran Data**

☐  [Primary]

Done

Internet



## ACH Vendorization

- In order for a lender to obtain VA funding fee refunds, they must first vendorize their corporate bank information with VA's Austin Automation Center
- To do this, download Standard Form SF 3881, ACH Vendor Enrollment Form at:

<http://www.fms.treas.gov/pdf/3881.pdf>

- The form should be faxed to (512) 460-5221
- The following sample form is provided to show what information is needed under "Agency Information". The lender is required to complete the remainder of the information.



Please fill out the following form.



Highlight Fields

## ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

OMB No. 1510-0056

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

### PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

### AGENCY INFORMATION

FEDERAL PROGRAM AGENCY

U.S. Department of Veterans Affairs - Financial Services Center

AGENCY IDENTIFIER:

111036183

AGENCY LOCATION CODE (ALC):

36001200

ACH FORMAT:

☐ CCD +

☐ CTX

ADDRESS:

P.O. Box 149971

Austin, TX 78714-8971

CONTACT PERSON NAME:

Customer Support Help Desk - Vendorizing Team

TELEPHONE NUMBER:

( 877 ) 353-9791

ADDITIONAL INFORMATION:

FAX COMPLETED FORM TO (512) 460-5221

### PAYEE/COMPANY INFORMATION

NAME

SSN NO. OR TAXPAYER ID NO.

ADDRESS

Done

Unknown Zone



# FFPS User Guide

Lenders can download the VA Funding Fee Payment System User Guide at:

[http://www.benefits.va.gov/homeloans/docs/va\\_ffps\\_users\\_guide.pdf](http://www.benefits.va.gov/homeloans/docs/va_ffps_users_guide.pdf)



# Funding Fee System Help Desk

The Funding Fee Payment System is not a VA system. It is managed by the Department of Treasury. To contact them regarding login, password or administrative issues:

Phone: (800) 624-1373

E-mail: [pay.gov.clev@clev.frb.org](mailto:pay.gov.clev@clev.frb.org)

# Underwriting



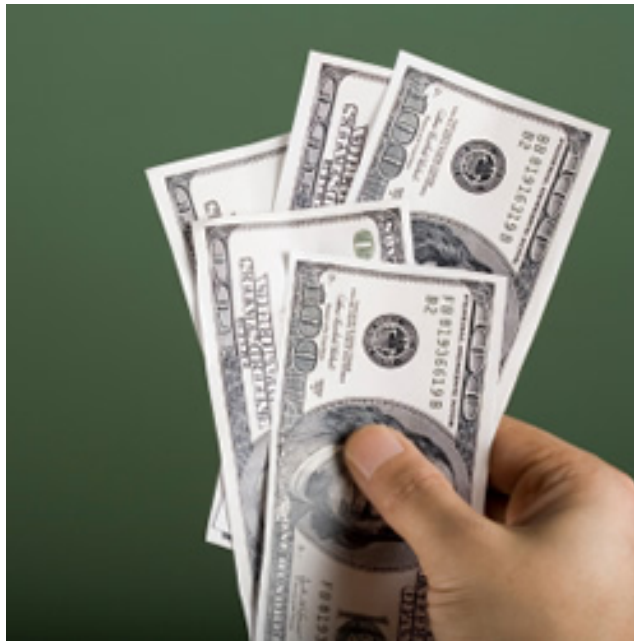


# VA Underwriting

**We Are Not FHA!**



# Income



VA Home Loans



# Income

- In order to consider approval for a VA home loan, job stability is a mandatory requirement
- Generally speaking, veterans who have separated from service need a minimum 2 year work history (different employers okay)
- Veteran should be in most recent job 12 months
- Significant number of “egregious” loans are the result of a VA loan being approved for veterans not having stable employment
- All verifications of income must not be more than 120 days old at closing, or 180 days old if new construction



## Income – Standard Documentation Requirements

- VA Form 26-8497, Verification of Employment
- 2 years' W-2 Forms
- 2 years' 1099 Forms
- 2 years' Federal Tax Forms





## Income – Alternative Documentation Requirements

- Original or certified original of veteran's paystubs
- Should be 30 days worth of paystubs (1 monthly, 2 bi-weekly, 4 weekly)
- 2 years' W-2 forms
- **Very Important:** If lender chooses to use the alternative documentation requirements, lender must verify prior to closing via telephone with current employer:
  - » Date of Hire
  - » Prospect for Future Employment



# Verification Alternatives

VA allows Internet based website verification such as “The Work Number” provided they show the following information:

- Name
- Social Security Number (truncated for privacy okay)
- Date of hire
- Annual income to document past 2 years
- Overtime, bonus amounts, etc.



## Income Verification for Active Duty, Reservists and National Guard

- All active duty, reservists and national guard members are given a Leave and Earnings Statement (LES)
- LES is typically issued once per month unless veteran requests otherwise
- LES cannot be more than 120 days old, or 180 days old for new construction
- For information on how to read an LES go to:

[www.dfas.mil](http://www.dfas.mil) (see next slide)



## DEFENSE FINANCE AND ACCOUNTING SERVICE

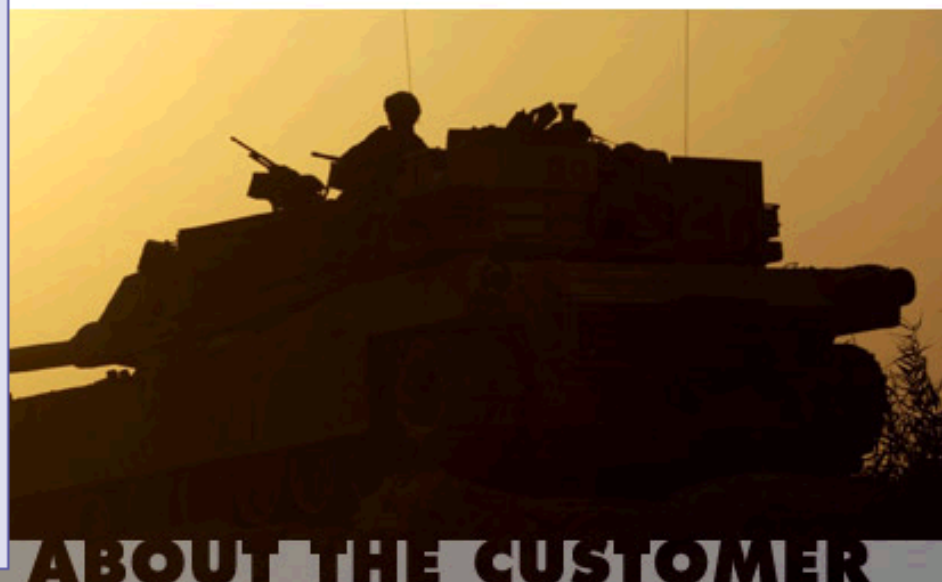
search

GO

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[MILITARY PAY](#) [CIVILIAN PAY](#) [RETIRED PAY](#) [TRAVEL PAY](#) [CONTRACT/VENDOR PAY](#)

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- [Military Pay Tables](#)
- [News & Information](#)
- [Useful Links](#)
- [Out-of-Service Debt](#)
- [Wounded Warrior Pay](#)
- [Adoption Reimbursement](#)
- [Military Employment Verification](#)
- [Thrift Savings Plan \(TSP\)](#)
- [Ask Military Pay](#)
- [2007 Tax Information](#)
- [Garnishment Military](#)



# ABOUT THE CUSTOMER

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**News Headlines**

**DFAS Services**



[VA Compensated Work Therapy payments are no longer taxable](#)

[TreasuryDirect helps buy, store savings bonds](#)

[DFAS published 2007 tax statement schedule](#)

[Retiree, annuitant cost of living adjustments for](#)





# Leave and Earnings Statement Definitions

## Taxable Incomes

- **Base Pay**
- **HDP – Hardship Pay**
- **HF/IDP – Hostile Fire/Imminent Danger Pay**
- **HDIP – Parachute, Flight Deck, Demolition**
- **Flight Pay**
- **Pro Pay**
- **Sea Duty Pay**
- **Save Pay**
- **CONUS Cola**



# Leave and Earnings Statement Definitions

## Non-Taxable Allowances

- BAH – Base Allowance for Housing
- BAS – Base Allowance for Subsistence
- Clothing Allowance
- Family Separation Allowance
- Personal Money Allowance

Save

Print

Printer Friendly Version

View other LESs 0805

Go

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																	
ID	NAME (Last, First, MI)		SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSNIDSSN	PERIOD COVERED							
			*****6680	E6	910610	16	080531	NAVY	5905	1-31 MAY 08							
ENTITLEMENTS			DEDUCTIONS			ALLOTMENTS			SUMMARY								
Type	Amount		Type	Amount		Type	Amount		+Amt Fed								
A	BASE PAY	3197.70	FEDERAL TAXES	860.18		TRICARE DENTAL	28.95		+Tot Ent 6794.13								
B	BAS	294.43	FICA-SOC SECURITY	198.26					+Tot Ded 3962.75								
C	BAH	1987.00	FICA-MEDICARE	46.37					+Tot All 28.95								
D	FLPP	275.00	SGU	29.00					+Net Amt 2802.43								
E	DEMO PAY	150.00	AFRH	.50					+Cr Fwd .00								
F	PARACHUTE PAY	225.00	FAMILY SGU	5.50					+EOM Pay 2802.43								
G	DIVE PAY	215.00	MID-MONTH-PAY	2802.94													
H	SPEC DUTY PAY	450.00															
I																	
J																	
K																	
L																	
M																	
N																	
O																	
TOTAL		6794.13			3962.75			28.95									
LEAVE		BF Bal 60.0	End 20.0	Used 25	Cr Bal 55.0	ETS Bal 55.0	Lv Lost 3.0	Lv Paid .0	Unl Use 5.0	FED TAXES		Wage Period 4612.70	Wage YTD 22563.50	MIS \$	Ex 00	Addl Tax 100.00	Tax YTD 4400.89
FICA TAXES		Wage Period 3197.70	Soc Wage YTD 15988.50	Soc Tax YTD 991.30	Med Wage YTD 15988.50	Med Tax YTD 231.84	STATE TAXES	St TN	Wage Period .00	Wage YTD .00	MIS M	Ex 01	Tax YTD .00				
PAY DATA		BAQ Type WDEP	BAQ Depn SPOUSE	VHA Zip 92135	Rent Amt 9999.99	Share 1	Stat R	JFTR	Depns 0	2D JFTR	BAS Type	Charity YTD .00	TPC PACIDN				
THRIFT SAVINGS PLAN (TSP)		Base Pay Rate 0	Base Pay Current .00	Spec Pay Rate 0	Spec Pay Current .00	Inc Pay Rate 0	Inc Pay Current .00	Bonus Pay Rate 0	Bonus Pay Current .00	TSP YTD Deductions .00		Deferred .00	Exempt .00				

## REMARKS:

YTD ENTITLE 33970.55

YTD DEDUCT \$799.03

IF TSP ELECTION AMT EXCEEDS NET AMT DUE, TSP WILL NOT BE DEDUCTED.  
 ANY CHANGE IN FAMILY MEMBER STATUS MUST BE REPORTED TO THE DEFENSE ELIGIBILITY ENROLLMENT REPORTING SYSTEM (DEERS) WITHIN 60 DAYS. THIS INCLUDES SERVICE MEMBERS IN A JOINT SERVICE MARRIAGE (MILITARY MARRIED TO MILITARY) EVEN THOUGH EACH SPOUSE IS ALREADY ENROLLED IN DEERS IN HIS OR HER OWN RIGHT AS A MILITARY MEMBER.  
 EFFECTIVE 1 JULY 2008, TSP ONLY AVAILABLE TO

-PATRIOT FAMILY SALUTES THE MILITARY SPOUSE ESSAY CONTEST NOW THRU JULY 28TH. FOR INFO GO TO COMMUNITY CONNECTION ON AAFES.COM.  
 -REQUEST YOUR BALLOT FOR THE PRESIDENTIAL AND STATE PRIMARIES. SEE YOUR VOTING ASSISTANCE OFFICER OR GO TO WWW.FVAP.GOV.  
 SEA DUTY TIME 0000/29  
 CHANGE SEPARATN DATE 080501(122)  
 CHANGE DIRECT DEPOSIT 080516(142)  
 BAH BASED ON WDEP, ZIP 92135

Ready

OCR Language: English

NUM



Inbox - Microsof...

WinZip - dod-va-...

Microsoft Power...

LES.tif - Micros...



10:57 AM

Office

Microsoft



# Leave and Earning Statement Issues

- ETS Date – Estimated Time of Separation, typically in a YEAR-MONTH-DAY combination
- To use active duty income, veteran must have 12 months remaining on their ETS date or a letter signed by commanding officer stating they are eligible/intend to re-enlist
- Veterans can have a mid-month pay amount taken out of net income that allows them to better budget their income
- Allowances can be put on Line 38 of VA Form 26-6393, Loan Analysis



# Self Employment Income

- Must be self employed at least 2 years
- Provide 2 years worth of business and/or individual tax forms
- A current year to date profit and loss statement
- Depreciation may be added back to net profit
- Partnerships are okay, but must be accompanied with proof of percentage of ownership





# Commission Income

If a major portion of income is drawn from commission income, veteran's employer must provide:

- \* Year-to-date commissions received
- \* Basis for computing commissions
- \* Frequency of commission payment



# Commission Income

- Generally must have 2 year history
- Commission income after 1 year can be considered if prior related experience or technical knowledge.
- Income must be averaged over 12-24 month period
- Must provide 2 years W-2's and tax forms
- Commission less than 1 year can rarely be considered
- Lenders should be concerned with a recent history of successive monthly declines in commissions received





# Rental Income

- Multi unit property - must show previous landlord experience and evidence of 6 months PITI as cash reserves, if using anticipated rents to qualify
- If rental income is not needed to qualify, reserves and experience are not needed
- Rental income to be used is 75% of previous, verified rent receipts
- Origination file will need to have copies of signed lease agreements





## Rental Income From Existing Home

If veteran owns a house and proposes to rent existing house to move into VA home:

- \* Anticipated rental income can be used to offset mortgage payment if there is positive cash flow from rent receipt
- \* Additional positive cash flow cannot be used as qualifying income
- \* Negative cash flow needs to be listed as a debt on VA Form 26-6393



# Trailing Spouse Income

- Typical income problem for veterans who move from base to base
- Generally cannot use as qualifying income unless:
  - \* there is a documented commitment for employment, and
  - \* the employment is a position related to current job
- If spouse is not moving, income can be used to offset expenses from current residence prior to moving
- Documentation proving employment in new location would be expected in origination loan file



# Income From Child Support

- Must have evidence that it will continue for at least 3 years into the future
- If less than 3 years, lender can remove child from family size for the residual guideline



# Stability of Income Issues

- The applicant must generally be employed 12 months or longer
- Waive 12 months employment rule if previous technical experience (computers, doctor, nurse, airline mechanic, etc.)
- Generally speaking, income from overtime, part time work or bonuses must have continued for 2 years



# Stability of Income Issues

- Temporary income from educational allowances or unemployment compensation do not represent stable income.
- Post 9/11 GI Bill Housing Allowance cannot be used
- Automobile reimbursement can only be used to offset car payments
- Foster care income can be used to offset any increase in residual income requirement
- Public Assistance or social security income must continue for at least 3 years (VA disability is considered a lifetime benefit)



# Assets





# Assets

- Must include original or certified copies of 2 months' worth of deposit verifications
- Veteran must have sufficient cash to cover:
  - \* Closing costs, down payment and points that will not be in loan amount
  - \* Difference in appraised value and purchase price if property appraises for less



# Assets

- Liquid Assets: funds that can readily become available within a 30-day period without penalty or taxation
- Potential loans secured by a 401(k) or Thrift Savings Plan can typically be considered a liquid asset
- IRAs are not considered a liquid asset
- Life insurance policy face values are not considered a liquid asset



# Gift Funds

- VA has no policy on gift funds to close a VA loan
- If gift funds are being used, lender must verify that funds were either deposited with veteran prior to or at closing, or show proof that funds were available



# Debts and Obligations





# CAIVRS

- Lenders are required to verify if the obligors have any open, unpaid Federal Debts
- Instructions are located in VA Pamphlet 26-7, Lenders Handbook in Chapter 4
- Document findings or authorization number in comment section of VA Form 26-6393, or provide CAIVRS printout
- FHA CAIVRS “C” numbers can be negated since obligor paid mortgage insurance premiums



# Debts and Obligations

- Debts and obligations must be rated for timely payment and a credit report obtained
- Include explanation for any obligation used but not rated
- Include significant debts even if less than 10 months to pay if it causes severe impact on ability to cover residual expenses
- Remove smaller debts if less than 10 months remaining to payoff



# Child Care Expense

- Significant number of “egregious” loans identified because lender failed to include child care expense
- Expenses for care of children 12 years old or younger must be included in debt section of loan analysis form, unless:
  - \* Spouse does not work, or employment is of a part time nature
  - \* If spouse does work full time, they must provide proof of no child care expense (separate certification must be in file)



# Other Debts

- If there is proof that a co-signed payment is being paid timely, debt can be disregarded (12 months paid on time)
- If co-signed loan is not being paid timely, it can affect credit rating and should be included in debt ratio
- 401(k) loans are not considered in debt ratio for VA loans
- Student loans deferred 12 months are not considered in debt ratio



# Speaking of Debts!

“I don’t own any stocks and bonds. All my money is tied up in debt.”

George Carlin



# Debts and Obligations

- Serious thought should be given to obligors who have an appetite for a lot of debt
- Excessive numbers of accounts, “maxing” out credit cards and debts obtained immediately before loan application should raise “red flags”

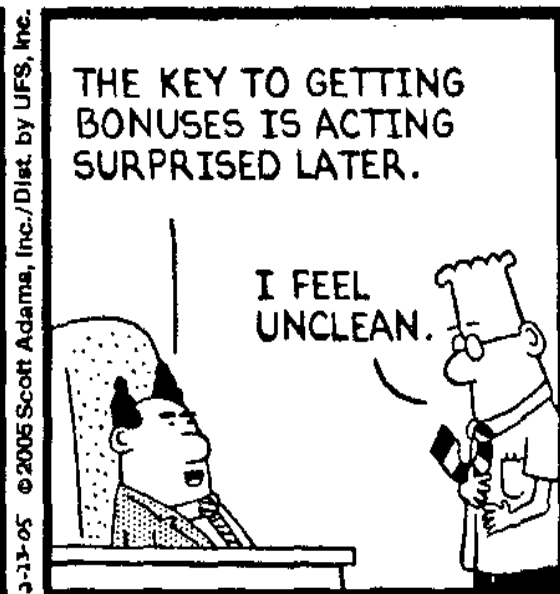
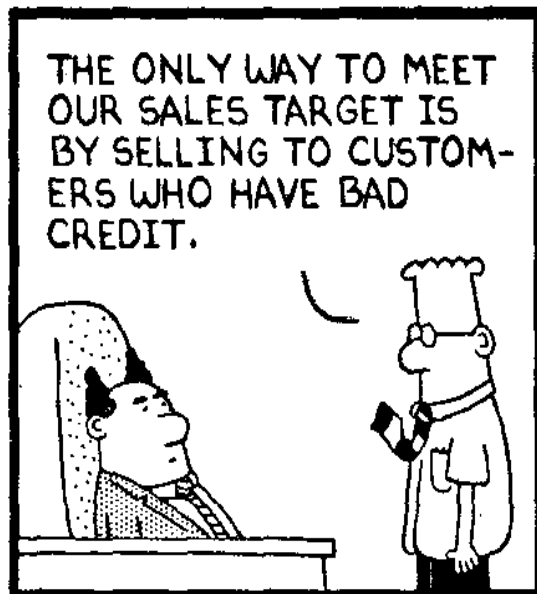


# Credit



# DILBERT

BY SCOTT ADAMS



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# Credit History – General Rule

- Credit report must be a tri-merged credit report or Residential Mortgage Credit Report.
- It must not be older than 120 days from application for purchases or 180 for new construction
- Generally speaking, the veteran must not have derogatory credit within the past 12 months

## **Automatic denial:**

- \* Outstanding Judgments
- \* Unresolved Federal Debts



# Lack of Credit History

- Lack of an active credit history via a credit report does not automatically deny the veteran's loan
- Obtain credit references from non-traditional sources such as:
  - \* Rental payments
  - \* Utility payments
  - \* Car insurance payments



# Rental History

- VA requires at least 12 months rental payment history and it must be formally verified and rated
- Past housing payment history can be proof of a veteran's motivation to make timely payments



## Collection Accounts, Charge-offs, Judgments and Federal Debts

- Isolated collection accounts with an overall favorable history of timely payments should not negatively impact application
- Poor credit history, with collections being paid off, does not necessarily impact application in a positive way
- Judgments and debts owed to the Federal Government must be paid off or verify a 12 month history of timely payment
- Federal and state tax liens do not necessarily have to be paid off or being paid, but considered in overall credit history



# Consumer Credit Counseling

- If a veteran entered prior to delinquencies occurring, it is looked at from a neutral standpoint
- If entered after delinquencies occurred, need at least 12 months timely payment history, and approval from the credit counselor



# Chapter 13 Bankruptcy

- A veteran needs a 12 month history of timely payments in bankruptcy plan
- Bankruptcy court must acknowledge purchase or cash out refinance





# Chapter 7 Bankruptcy

- If caused by controllable events (i.e. divorce, excessive use of credit, etc.), generally speaking the veteran must wait 24 months from date of discharge
- Veteran must have re-established 12 months of positive consumer credit activity





# Chapter 7 Bankruptcy

- If bankruptcy was due to circumstances beyond the control of the borrower, the veteran must wait 12 months from date of discharge to apply
  - \* Medical
  - \* Loss of employment
  - \* Catastrophic event



# Foreclosure or Deed In Lieu of Foreclosure

- Generally 2 years from date of foreclosure, unless event was caused by circumstances beyond the veteran's control
- A minimum of 12 months regardless of circumstances
- If a VA liquidation, veteran may not have sufficient entitlement for new VA loan
- Previous loss to VA would have to be repaid to restore full entitlement





# Short Sales

VA Central Office guidance on short sales:

- VA calls these “Compromise Sales”
- If delinquency occurred and ultimately resulted in short sale, typical 2 year waiting period would apply
- If short sale was processed while loan was still current, and overall credit is favorable with no resulting deficiency from short sale, no waiting period is required
- If it was a VA short sale, entitlement could be reduced



# Divorce

- You may disregard obligations and delinquent payments made after debts were assigned to the other individual by a divorce court
- Separation agreements not acceptable
- Must have signed divorce decree (stamped signature okay) by a judge that substantiates obligations, assets, alimony and child support





# Automated Underwriting Systems (AUS)

VA has approved the following  
Automated Underwriting Systems:

- Freddie Mac's Loan Prospector
- Fannie Mae's Desktop Underwriter
- Countrywide/Bank of America  
CLUES
- Chase Manhattan's ZIPPY





# AUS Issues

- Data integrity is imperative – greatest issue noted in VA audits is unsubstantiated income amounts
- Unsubstantiated data input to obtain “Accept” classification can be deemed fraud or misrepresentation
- Lenders must provide all documentation required by VA and AUS Feedback Certificate
- Must provide a complete copy of feedback certificate and documentation requirement certificate
- Significant number of “egregious” loans identified due to unsubstantiated data entered into AUS



# VA Form 26-6393, Loan Analysis

- Mandatory document except for IRRRL's
- Underwriter must completely fill out VA Form 26-6393, Loan Analysis and sign/date document
- Loan Analysis must be completed even for Automated Underwriting Cases

Department of Veterans Affairs		LOAN ANALYSIS		LOAN NUMBER	
<p><b>PRIVACY ACT INFORMATION:</b> The VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 5, Code of Federal Regulations 1.526 for routine uses as (i.e., the record of an individual who is covered by this system may be disclosed to a member of Congress or staff person acting for the member when the request is made on behalf of the individual) identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records - VA, published in the Federal Register. Your obligation to respond is required in order to determine the veteran's qualifications for the loan.</p> <p><b>RESPONDENT BURDEN:</b> This information is needed to help determine a veteran's qualifications for a VA guaranteed loan. Title 38, USC, section 3710 authorizes collection of this information. We estimate that you will need an average of 30 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at: <a href="http://www.whitehouse.gov/omb/library/OMBINV.VA.EPA.html#VA">www.whitehouse.gov/omb/library/OMBINV.VA.EPA.html#VA</a>. If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.</p>					
<b>SECTION A - LOAN DATA</b>					
1. NAME OF BORROWER		2. AMOUNT OF LOAN		3. CASH DOWN PAYMENT ON PURCHASE PRICE	
<b>SECTION B - BORROWER'S PERSONAL AND FINANCIAL STATUS</b>					
4. APPLICANT'S AGE	5. OCCUPATION OF APPLICANT	6. NUMBER OF YEARS AT PRESENT EMPLOYMENT	7. LIQUID ASSETS (Cash, savings, bonds, etc.)	8. CURRENT MONTHLY HOUSING EXPENSE	
9. UTILITIES INCLUDED <input type="checkbox"/> YES <input type="checkbox"/> NO	10. SPOUSE'S AGE	11. OCCUPATION OF SPOUSE	12. NUMBER OF YEARS AT PRESENT EMPLOYMENT	13. AGE OF DEPENDENTS	
<b>NOTE: ROUND ALL DOLLAR AMOUNTS BELOW TO NEAREST WHOLE DOLLAR</b>					
<b>SECTION C - ESTIMATED MONTHLY SHELTER EXPENSES</b> (This Property)			<b>SECTION D - DEBTS AND OBLIGATIONS</b> (Itemize and indicate by (✓) which debts considered in Section E, Line 41) (If additional space is needed please use reverse or attach a separate sheet)		
ITEMS		AMOUNT	ITEMS		(✓) MO. PAYMENT UNPAID BAL.
14. TERM OF LOAN: YRS.			22.		\$ \$
15. MORTGAGE PAYMENT (Principal and Interest) @ %			23.		
			24.		
16. REALTY TAXES			25.		
17. HAZARD INSURANCE			26.		
18. SPECIAL ASSESSMENTS			27.		
19. MAINTENANCE & UTILITIES			28.		
20. OTHER (HOA, Condo fees, etc.)			29. JOB RELATED EXPENSE (e.g., child care)		
21. TOTAL	\$		30. TOTAL	\$	\$
<b>SECTION E - MONTHLY INCOME AND DEDUCTIONS</b>					

SECTION E - MONTHLY INCOME AND DEDUCTIONS				
ITEMS		SPOUSE	BORROWER	TOTAL
31.	GROSS SALARY OR EARNINGS FROM EMPLOYMENT	\$	\$	\$
32.	FEDERAL INCOME TAX			
33.	STATE INCOME TAX			
34.	DEDUCTIONS RETIREMENT OR SOCIAL SECURITY			
35.	OTHER (Specify)			
36.	TOTAL DEDUCTIONS	\$	\$	\$
37.	NET TAKE-HOME PAY			
38.	PENSION, COMPENSATION OR OTHER NET INCOME (Specify)			
39.	TOTAL (Sum of lines 37 and 38)	\$	\$	\$
40.	LESS THOSE OBLIGATIONS LISTED IN SECTION D WHICH SHOULD BE DEDUCTED FROM INCOME			
41.	TOTAL NET EFFECTIVE INCOME			\$
42.	LESS ESTIMATED MONTHLY SHELTER EXPENSE (Line 21)			
43.	BALANCE AVAILABLE FOR FAMILY SUPPORT		GUIDELINE \$	\$
44.	RATIO (Sum of Items 15, 16, 17, 18, 20 and 40 — sum of Items 31 and 38)			%
45. PAST CREDIT RECORD		46. DOES LOAN MEET VA CREDIT STANDARDS? (Give reasons for decision under "Remarks," if necessary, e.g., borderline case)		
<input type="checkbox"/> SATISFACTORY <input type="checkbox"/> UNSATISFACTORY <input type="checkbox"/> YES <input type="checkbox"/> NO				
47. REMARKS (Use reverse or attach a separate sheet, if necessary)				
CRV DATA (VA USE)				
48a. VALUE		48b. EXPIRATION DATE		48c. ECONOMIC LIFE YRS.
SECTION F - DISPOSITION OF APPLICATION AND UNDERWRITER CERTIFICATION				
<input type="checkbox"/> Recommend that the application be approved since it meets all requirements of Chapter 37, Title 38, U.S. Code and applicable VA Regulations and directives.				
<input type="checkbox"/> Recommend that the application be disapproved for the reasons stated under "Remarks" above.				
The undersigned underwriter certifies that he/she personally reviewed and approved this loan. (Loan was closed on the automatic basis.)				
49. DATE		50. SIGNATURE OF EXAMINER/UNDERWRITER		
51. FINAL ACTION <input type="checkbox"/> APPROVE APPLICATION <input type="checkbox"/> REJECT APPLICATION		52. DATE	53. SIGNATURE AND TITLE OF APPROVING OFFICIAL	

VA FORM 26-6393  
OCT 2005

EXISTING STOCK OF VA FORM 26-6393, SEP 2003, WILL BE USED.



# Debt To Income Ratio Calculation

PITI + Special Assessments + HOA Fees + Monthly  
Revolving/Installment Debt + Child Support/Alimony

Divided By:

Total Gross Income + Other Net Income

=

Debt To Income Ratio



# VA's Underwriting Guidelines - General Rules

- VA general rule is that the loan should not exceed a 41% debt to income ratio
- AUS ACCEPT classifications may result in higher debt to income ratio approvals
- Loan should meet VA's residual income guideline based on tables provided in the VA Lenders Handbook
- All members of household should be considered for family size
- Underwriter should use \$.14 per square foot for maintenance and utility calculation



# VA's Underwriting Guidelines - General Rules

- Underwriter must consider job related expenses or extraordinary commute to employment on high ratio cases
- Deduction for taxes should be based on IRS Circular E and appropriate state tax tables, unless actual paystubs are used
- CAIVRS clearance authorization should be noted on VA Form 26-6393, Loan Analysis
- You can only “gross up” for debt ratio purposes only. Gross up amount can be equal to borrower's tax bracket.



## Debt Ratios That Exceed 41%

A ratio of 41% may be exceeded if:

- \* residual income guideline is exceeded by 20%, or
- \* underwriter's supervisor provides a statement justifying approval if 20% residual guideline is not met



# Residual Income Calculation

Net Take Home Pay + Other Net Income

Minus

PITI + Special Assessments + HOA Fees + Monthly  
Maintenance and Utility Factor + Monthly  
Revolving/Installment Debt + Child Support/Alimony

=

**Balance Available For Family Support (Residual Income)**



# Residual Income Guideline

- VA has specific residual income guideline tables located in VA Pamphlet 26-7, Lenders Handbook, Chapter 4
- Tables are based on loan amount, geographic locations, and family size
- A lender may exclude a family member from family size if they can prove they are self supporting
- **Residual income and debt ratio should be used as a guide, and not the sole determining factor for approval or denial**



# Residual Income Tables

<b>Table of Residual Incomes by Region</b> <b>For loan amounts of \$79,999 and below</b>				
<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
1	\$390	<b>\$382</b>	\$382	\$425
2	\$654	\$641	\$641	\$713
3	\$788	<b>\$772</b>	\$772	\$859
4	\$888	\$868	\$868	\$967
5	\$921	\$902	\$902	\$1,004
over 5	Add \$75 for each additional member up to a family of seven.			



# Residual Income Tables

**Table of Residual Incomes by Region  
For loan amounts of \$80,000 and above**

<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1,025	\$1,003	\$1,003	\$1,117
5	\$1062	\$1,039	\$1,039	\$1,158
over 5	Add \$80 for each additional member up to a family of seven			



# Compensating Factors

Compensating factors can be used as reason for loan approval if debt to income guidelines are not met. Some of these include:

- Excellent long term credit
- Conservative use of consumer credit
- Minimal consumer debt
- Long term employment
- Significant assets or down payment
- High residual income



# Compensating Factors

**Compensating factors can not be used to overcome unsatisfactory credit.**



# Closing Costs and Guaranty





# Itemized Closing Costs

**The most common error VA finds in its audit process is overcharged or unallowable Closing costs charged to veterans**



# Allowable Closing Costs

- VA allowable appraisal cost and any required compliance inspections
- Credit report fee
- Recording fees and taxes
- Pre-pays to set up tax and insurance escrows
- Surveys and plot plans
- Title exams, title policies, title insurance
- Environmental protection endorsements
- VA funding fees
- Discount points
- MERS fee
- Interthinx DISSCO Fraud Report
- Express mail fees (refinances only)





# Unallowable Closing Costs

- Lender's appraisals or inspections
- Closing or settlement fees
- Termite inspection (except on a cash-out refinance)
- Document preparation fees to any individual
- Underwriting fees
- Broker fees
- Attorney services other than for title work
- E-mail, copying, telephone or fax fees
- Application fees
- Processing fees
- Assignment fees
- Photos
- Others...





# 1% Origination Charge

- VA allows a 1% origination fee to be charged on every VA loan
- If 1% is charged, the veteran can not be charged any of the unallowable closing costs
- If 1% is not charged, the veteran can be charged for “unallowable” items up to 1% of the loan amount





# Items That Can Never Be Charged To A Veteran

- **Termite Inspection (except for VA cash-out refinances)**
- **Realtor fees or commissions**
- **Attorney fees other than for performing title work**
- **Mortgage broker fees or commissions**
- **Prepayment penalties**



# Allowable and Unallowable VA Closing Costs

**VA Cleveland provides a list of allowable and unallowable closing costs. It is important to note that this list is not all inclusive. It can be found at:**

[http://www.vba.va.gov/ro/cleveland/steps\\_to\\_va\\_loan.htm](http://www.vba.va.gov/ro/cleveland/steps_to_va_loan.htm)

Steps to a VA Loan - Windows Internet Explorer

http://www.vba.va.gov/ro/cleveland/steps\_to\_va\_loan.htm

File Edit View Favorites Tools Help

Steps to a VA Loan

Search All VA Web Pages

Search

» Open Advanced Search

UNITED STATES  
DEPARTMENT OF VETERANS AFFAIRS

VA Home About VA Organizations Apply Online Locations Contact VA

Health Care

Benefits

Burial & Memorials

Info for Veterans

Lenders & Servicers

Facilities Locator

Appraisers & Builders

VA REO Sales

VA Forms

Local Info Letters

L G Circulars

Loan Guaranty Home Page

Cleveland Regional Loan Center Home Page

Cleveland VA Regional Office Home Page

**CLEVELAND REGIONAL LOAN CENTER**

**Steps to a VA Loan**

[Determining Eligibility](#)

[Viewing and Inspecting the Home](#)

[Requesting the Loan](#)

[Appraising the Property](#)

[Closing the Sale](#)

[Closing Costs for VA Home Loans](#)

[Prequalifying Worksheet](#)

For more general information see the [national home loan guaranty site](#)

http://www.vba.va.gov/ro/cleveland/steps\_to\_va\_loan.htm#Closing Costs for VA Home Loans

Trusted sites 100%

Start | Inbox - Microsoft Outlook | Microsoft PowerPoint - [...] | Steps to a VA Loan - ...

9:44 AM



# VA Seller Concession Rule

- A seller concession is anything of value added to the transaction by the builder or seller for which the buyer pays nothing additional, and which is not considered customary
- VA's Seller Concession rule is not the same as that directed by HUD
- The maximum seller concession for VA loans is 4% of the established reasonable value
- The 4% only limits seller contribution toward the items in the following slide



# Items Limited By VA Seller Concession Rule

VA's Seller Concession rule only limits payment of the following amounts to 4% of the value:

- Payment of the veteran's VA funding fee
- Prepayment of the veteran's taxes and/or insurance
- Gifts such as TV's or appliances
- Payment of extra points that is beyond what current market conditions dictate
- Provision of escrowed funds to provide temporary interest rate buy-downs
- Payoff of credit balances or judgments on behalf of the buyer



# Seller Contributions Toward Closing Costs

In addition to the 4% seller concessions, sellers/lenders can assist with:

- Payment of VA allowable closing costs above 4% seller concession amounts (appraisal, credit report, recording fees and taxes, title work, origination fee, etc.)
- Payment of points as appropriate to the market



# Guaranty

- For VA purposes, the lender's "Insurance" is called a "Guaranty"
- The lender must submit loan for guaranty within 60 days of closing
- If over 60 days from closing, the lender must certify that the loan is current and provide explanation for late submission



# WebLGY – How To Guaranty A VA Loan

- A Veterans Information Portal based application where lenders input loans for guaranty in WebLGY
- Must be a LAPP lender
- WebLGY requires funding fee receipt to be generated in FFPS and that all data entered is correct
- WebLGY requires the NOV to be issued through WebLGY as well

Click on  
WebLGY

Veterans Information Portal - U.S. Department of Veterans Affairs - Windows Internet Explorer

https://vip.vba.va.gov/portal/VBAH/Home?paf\_portalId=default&paf\_dm=shared

File Edit View Favorites Tools Help

Veterans Information Portal - U.S. Department of Vet...

UNITED STATES  
DEPARTMENT OF VETERANS AFFAIRS

Search All VA Web Pages

Search

Open Advanced Search

VA Home VIP Home Veteran Services Business About VA Media Room Locations Contact Us Logout

Welcome, Mark

**My Services**

- My Profile
- White Pages

**Applications**

- Access Manager
- eAppraisal
- Email
- FileNet
- Loan Guaranty
- Reports
- SAHSHA
- SIM
- TAS
- webELI
- webLGY
- CPB
- Life Insurance Online
- myHealtheVet
- VONAPP

**VETERANS INFORMATION PORTAL**

**Announcements**

Date	Message
08/12/2010	Highlights from Chicago Association of Realtors
08/12/2010	**NEW** - Information for Appraisers on the new Portlet
05/28/2010	VIP helpdesk hours (8am to 5pm EDT, M-F)
05/28/2010	User Registration - Please register only one time!

**Featured Items**

- [Specially Adaptive Housing](#) - Online Grant Application
- [CPB](#) - Locate VA Registered Builders, Condominiums and/or PUDs across the US
- [VONAPP \(Veterans On Line Applications\)](#) - Enables veterans to apply for benefits using the Internet
- [AutoForm](#) - Application for Service-Disabled Veterans Insurance

**Veteran Information**

- Benefits Information
- Operations Enduring Freedom and Iraqi Freedom
- Compensation and Pension Benefits
- Education Benefits (GI Bill)
- Vocational Rehabilitation & Employment Services
- Benefits for the surviving spouse, dependent children
- Information about life insurance for service members and veterans
- Burial Benefits
- VBA Regional Office Home Pages

**Special Programs**

- Homeless Veterans
- Minority Veterans

**Loan Guaranty**

- Property Management
- Construction & Valuation
- Real Estate Professionals
- VA Monitoring Unit
- Loan Production
- Video Broadcasts

**Loan Guaranty Returning User**

- Lenders Handbook
- Link to CAIVRS
- VA Funding Fee Payment System
- Military Pay and Housing Allowance charts
- Fee Appraiser Updates
- Contact VA Regional Loan Center
- Eligibility Center Contact Info

Done

Trusted sites 100%

Start Inbox - Microsoft Outlook Microsoft PowerPoint - [...] Veterans Information...

8:35 AM

WebLGy - VA Loan Guaranty System - Windows Internet Explorer

https://webgly.vba.va.gov/WebLGy/UserLogin.do

File Edit View Favorites Tools Help

WebLGy - VA Loan Guaranty System

WebLGy 10.3.2

Help Mark Jamison August 19, 2010

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

**Recently**

- Recent Loans
- Loan Inquiry
- Enter New Loan
- Order IRRRL
- Process Old Loan
- Test Loan Analysis
- Bulk Paid in Full

**Available Functionalities**

**Obtain New VA loan number (LIN) for IRRRL**

- Order IRRRL

**Loan Links**

- Enter New Loan
- Loan Inquiry
- Enter LIN
- Funding Fee Inquiry
- Lender ID by Date
- Veteran SSN / Service Number
- Loan Status Inquiry
- Process Old Loan
- Test Loan Analysis
- Bulk Paid in Full

**Eligibility Links**

- Create Record
- Certificate of Eligibility
- Certificate of Veteran Status
- Surviving Spouse
- Search
- Prior Loan Validation
- Call Center
- Search Calls
- New Call
- Reports
- Eligibility Counts
- Old Ace Search

**Veteran**

- Correct Obligor
- Veteran SSN / Service Number
- Update Person Data

**Workbuckets**

- RLC 325 - Cleveland

**Administration**

- Edit Lookup List
- Run Batch Process
- Residual Income Calculations
- Tax Tables
- Federal Tax Tables
- State Tax Tables
- Medicare Tables
- Maintain Loan Limits
- Maintain RLC Data
- Maintain Station POC Data

**WARNING**

It is a Federal crime to knowingly provide false or misleading information in order to establish

https://webgly.vba.va.gov/WebLGy/NewLoanEntry.do

Trusted sites 100%

Start Inbox - Microsoft Out... Microsoft PowerPoint ... Veterans Information ... WebLGy - VA Loan ... 8:36 AM

Click on "Enter New Loan" under the "Loan" drop down menu

Enter Loan Procedure  
and VA Loan Number

WebLGY - VA Loan Guaranty System - Windows Internet Explorer

https://weblgy.vba.va.gov/WebLGY/UserLogin.do

File Edit View Favorites Tools Help

WebLGY - VA Loan Guaranty System

WebLGY 10.3.2

Help Mark Jamison August 19, 2010

HOME LOAN VETERAN ELIGIBILITY WORKBUCKETS ADMIN CONTACT RLC

New Loan Entry

New Loan Entry

Loan Procedure AUTOMATIC

LIN (Required)

Submit

[Español](#) | [VA Forms](#) | [Facilities Locator](#) | [Contact the VA](#) | [Frequently Asked Questions \(FAQs\)](#)  
[Privacy Policy](#) | [Web Policies & Important Links](#) | [Annual Performance and Accountability Report](#)  
[Freedom of Information Act](#) | [Small Business Contacts](#) | [Site Map](#)  
[FirstGov](#) | [White House](#) | [USA Freedom Corps](#)

Reviewed/Updated Date: February 15, 2006

Error on page.

Trusted sites 100%

Start Inbox - Microsoft Out... Microsoft PowerPoint ... Veterans Information ... WebLGY - VA Loan ... 8:36 AM



Notes  
Status & History  
Issue Guaranty  
Validate Veterans  
Certificates  
Letters  
Prior Approval  
Activity  
Correspondence  
Change Lender  
Change Property  
Address

LAPP 03/17/2011  
NOV Issued  
(Click to View)

LIN:   
RLC: 325 - CLEVELAND

Loan Status: Commitment Issued  
Appraisal Type: LAPP - Origination

Status: NOV Issued

#### Appraisal Menu

Appraisal Processing  
Status & History  
Notes  
Add New Note  
Change Appraisal Type  
Print NOV

Appraisal Assignment  
Assignment Details  
Form 1805  
Point of Contact

Documents  
Upload & Retrieve  
Letters

Oversight  
Desk Review  
Field Review  
Flag Case for Field Review  
Construction Complaints  
Audit Log  
Property Appraisal  
Purchaser  
NOV  
Desk Review Audit  
Field Review Audit

#### Appraisal Status & History

##### Purchaser Information

Purchaser Name

##### Sponsor & Requestor Information

Originating Requestor Name BANK OF AMERICA NA

Originating Requestor ID 3200650604

Requestor Type Lender

Originating Sponsor Name

Originating Sponsor ID

Requestor Type

##### Property Information

Property Doc(s) [Appraisal Report](#)  
[Sales Contract](#)

Property Address

SALESMAN: 715-36255  
County: ATLANTIC  
[Change Property Address](#)

##### NOV / SAR Information

Refinance / Loan Code Purchase

Sales Price \$225,000

Estimated Reasonable Value \$247,000

NOV Issued Date 03/17/2011

javascript:setMain("LoanSummary.do")

Local intranet

100%

Click on "Issue Guaranty" and then input required data fields



# VA Audit Process

VA performs 4 different types of quality reviews on guaranteed cases:

- A full review of 10% of all guaranteed loans
- An underwriting review of all Early Default Cases that go into default within the first 6 payments due under the note
- Special reviews on cases over the 41% debt ratio and not 20% over the residual guideline
- Post audit verifications on 5% of all guaranteed loans





# Purpose Of VA Audit Process

- 99% of all VA loans are closed by automatic lender without VA ever seeing the loan
- Reviews are done to determine lender compliance with program
- Reviews are done to provide feedback to lenders for training purposes
- Reviews are done to determine if fraud or misrepresentation exists in closing of loan



# VA Audit Findings

- Audit file submissions should follow the requirements in Chapter 5 (purchases) and Chapter 6 (IRRRL's/cashouts) of the VA Lenders Handbook
- Unallowable charges to the veteran
- Missing or incomplete documentation
- Repairs from NOV not certified as completed
- Unsubstantiated income or income stability not established
- Missing explanations for derogatory credit





# VA Audit Findings

- Lender's certifications, underwriter's certifications or occupancy certifications missing
- We don't need several copies of loan file
- Missing AUS documentation
- Missing Escape Clause on Purchase Contract
- Cash back to veterans when the amount given exceeds what the veteran paid into the transaction
- Funding fee charged on exempt veterans (VA Form 26-8937 submitted after closing)
- Using active duty income for veterans with an ETS date that is less than 12 months



# Loan Guaranty Certificate

The final document that lenders need to sell the VA loan to the secondary market is the Loan Guaranty Certificate.

- Issued by VA

or

- Issued through WebLGY after lender inputs guaranty data



## Department of Veterans Affairs

20548364  
UNITED STATES OF AMERICA  
LOAN GUARANTY CERTIFICATE

ISSUED TO:

Loan Number	Date Of Loan	Amount Of Loan	Guaranty Amount	Percent Guaranteed
25-25-6-01	01/26/2009	\$308,535.00	\$77,133.00	25.00%

## CERTIFICATION TO FINANCIAL INSTITUTION

This is to certify that, in this case, the Department of Veterans Affairs (VA) has complied with the applicable provisions of the Right to Financial Privacy Act of 1978, title xi of Public Law 95-630. Pursuant to section 113(h)(2) of the Act, no further certification shall be required for subsequent access by the Department of Veterans Affairs, Loan Guaranty Service or Division to financial records on this loan during the term of the loan guaranty.

This is to certify that pursuant to chapter 37, title 38, U.S.C., as amended, and the regulations effective thereunder on the date of this certificate, the indebtedness outstanding from time to time under the loan identified herein is guaranteed in the following amount(s):

Full Name(s) Of Veteran(s)	Amount Of Loan	Entitlement Charged	Date Of Guaranty
	\$308,535.00	\$75,335.00	05/07/2009

DATE OF THIS CERTIFICATE 05/08/2009 ISSUING OFFICE Electronic Guaranty

Upon full satisfaction of this loan by payment or otherwise, this certificate must be appropriately endorsed and signed, and returned to VA pursuant to 38 CFR 36.4218 or 36.4333. Check the appropriate box to show the reason for the termination for VA's guaranty liability.

☐ PAID-IN-FULL☐ CLAIM PAID

VA Form 26-1899  
JAN 2008

<https://webtgy.vba.va.gov/WebLGY/LoanGuarantyCertificate.do?&event=76023786&thi...> 05/08/2009

OCR Language: English

NUM

# Special Circumstances





# Power Of Attorney

A veteran who is unable to sign closing documents can close on a VA loan with a Power of Attorney:

- Specific POA: states specific transactions that POA can perform
- General POA: gives general POA to various types of transactions (cannot be used if veteran has not signed URLA and Purchase Contract)





# Power Of Attorney

To complete a VA home loan transaction using an Attorney-in-Fact:

- The mortgage must be legally enforced in that jurisdiction
- Clear title can be conveyed in the event of a liquidation
- Veteran must consent to specifics in the transaction
- Power of Attorney rules apply to any loan when the veteran cannot sign documents in person



# Power Of Attorney

If veteran has not signed the URLA and Purchase contract,  
The specific Power of Attorney must contain language  
related to:

- Entitlement – how much entitlement will be used
- Purpose – intent of the loan (new construction, cashout, IRRRL, etc.)
- Property identification – address, legal description
- Price and terms – sales price, concessions, etc.
- Occupancy – must clearly state the veteran's intent to occupy property to meet requirements of Title 38 USC



# Alive and Not Missing In Action Certification

If a veteran is using a Power of Attorney, the lender must obtain an “Alive and Not Missing In Action” Certification. This can be achieved by:

- Written or verbal notification via e-mail, fax or telephone from veteran or commanding officer on the day of closing
- Documented proof from lender of their efforts to obtain such a certification (who, what, where)



# Final Thoughts

- VA does not perform pre-qualifying analysis for any loan application
- It's your money to lend. VA cannot compel a lender to lend its money
- Second level denial reviews from automatic lenders must be accompanied by a letter from underwriter explaining reasons they believe loan could be approved and a statement that lender will fund VA loan with a VA loan commitment
- VA does not allow veterans to walk into the office with an underwriting package



# A Special Class Of Citizen

- Our veterans deserve every benefit they earned. You are an integral entity in making those benefits available.
- On behalf of the Cleveland Regional Loan Center, we want to thank you for your time today learning the VA home loan program